

Rent Setting Policy

2018/2019

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Scottish Social Housing Charter Relevant Standards and Outcomes

STANDARD	OUTCOME
<p>Section: Getting good value from rents and service charges</p> <p>13. Value for money Social landlords manage all aspects of their businesses so that:</p> <ul style="list-style-type: none"> • <i>tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.</i> <p>14 Rents and service charges and Social landlords set rents and 15 service charges in consultation with their tenants and other customers so that:-</p> <ul style="list-style-type: none"> • <i>a balance is struck between the level of services provided, the cost of the services and how far current and prospective tenants and service users can afford them.</i> • <i>tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.</i> 	<p>This standard covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; giving better value for money by increasing the quality of service with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.</p> <p>These outcomes reflect a landlord's legal duty to consult tenants about rent setting; the importance of taking account of what current and prospective tenants and other customers are likely to be able to afford; and the importance that many tenants place on being able to find out how their money is spent. For local councils, this includes meeting the Scottish Government's guidance on housing revenue accounts. Each landlord must decide, in discussion with tenants and other customers, whether to publish information about expenditure above a particular level, and in what form and detail. What matters is that discussions take place and the decisions made reflect the views of tenants and other customers.</p>

RENT SETTING POLICY

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RENT SETTING POLICY

1. INTRODUCTION

- 1.1 The Association is responsible for setting rents and service charges for a range of properties let on a variety of Tenancy and Lease Agreements. It is also responsible for applying rents on properties managed by the Association on behalf of other landlords. This policy sets out the arrangements for rent and service charge setting that apply to the various categories of property.

2. POLICY OBJECTIVES

- 2.1 The principle aims of this policy are as follows:-
- 2.1.1 To ensure that rents charged will raise sufficient revenue to meet the Association's current costs and future costs as identified in our thirty-year Financial Plan. The particular costs to be met are:-
- Management of the property and the tenancy
 - Reactive (Day-to-Day) Repairs
 - Cyclical Maintenance – electrical testing, external painting, ground maintenance, etc
 - Planned Maintenance – kitchens, windows, doors, bathrooms, etc
 - Major Repairs – any significant planned or unplanned repairs
 - Loan charges and repayments – we currently have £12 million plus loans on our properties
 - Insurances
 - Provision for voids and bad debts arising from non-payment of rent
 - Contingencies and risk management items
- 2.1.2 To set rents which are comparable across the range of the Association's property assets for similar properties in terms of size, quality and type.
- 2.1.3 To set rents which are comparable with the average rents of other social housing providers and, in particular, with the average rents of other Registered Social Landlords within the Association's Peer Group as defined by the Scottish Housing Regulator.
- 2.1.4 To set rents which, as far as possible, meet the affordability measurement criteria set out within the Scottish Federation of Housing Associations' "Guide to Rent Setting and Affordability Tool (June 2017)".
- 2.1.5 To operate a rent setting methodology which is consistent, easily understood and which can be justified to tenants, sharing owners, funders and The Scottish Housing Regulator.

3. PROPERTY TYPES

- 3.1 As at 1 April 2017, the Association's own affordable social rented housing stock amounted to 625 properties which have largely been constructed since 1985 but also includes some properties purchased "off the shelf". All of the properties are in a good state of repair and meet the Scottish Housing Quality Standard with the exception of three properties which are exempt. The Association has no "difficult-to-let" properties. Consequently, the Rent Setting Policy is **not** required to differentiate between housing stock of varying quality and "Standard Rents" are able to be applied.
- 3.2 The properties are able to be grouped into 5 "types" and are further defined by one of 15 "size" categories ranging from a 1 bedroom, 2 apartment flat to an 8 person, 8 apartment house.
- 3.3 With the exception of upper floor flats, the Association's properties are largely capable of being used by general needs, elderly needs and most special needs client groups. The Association has a policy of adapting its existing properties to meet specialist needs when required. The Rent Setting Policy does **not** differentiate by client groups.
- 3.4 The Association has 5 housing properties which provide a total of 16 non-self-contained bedspaces for clients with special needs. The rents for these properties were established at the date of Practical Completion and they are not included within our Standard Rents. However, rent levels are adjusted annually in accordance with the percentage adjustment to Standard Rents.
- 3.5 The Association has some shared ownership properties. The rents for these properties were established at the date of Practical Completion in accordance with the Shared Ownership Procedures Guide and they are not included within our Standard Rents. However, rent levels are adjusted annually in accordance with the percentage adjustment to Standard Rents.
- 3.6 The Association also has mid-market rent housing stock which it leases to its subsidiary company, North West Highland Community Enterprises Limited. The subsidiary company in turn lets the properties on Short Assured Tenancy Agreements to tenants. From December 2017, the new form of Tenancy Agreement will be the "Private Residential Tenancy Agreement" for all new tenancies. The rents to be charged for mid-market rent properties are pre-determined at the date of Grant Approval by Guidance issued by the Scottish Government and, in practice, the rents are calculated as a percentage of the level of Local Housing Allowances which are published from time to time by The Highland Council. Rent levels are adjusted annually thereafter by the rate of the Consumer Price Index plus one per cent.

4. LEASED PROPERTIES

- 4.1 The Association has leased HAG-funded properties to The Highland Council for temporary accommodation in accordance with the Homelessness arrangements which have been agreed by both organisations. A single property is also let to Skye and Lochalsh Women's Aid. The lease rentals charged are broadly in line with the Association's Standard Rents.
- 4.2 The Association has 4 non HAG-funded leased properties as follows:-

<u>Address</u>	<u>Tenant</u>
5 Station Road, Kyle	Lochalsh Christian Fellowship
Hamilton House, Kyle	The Highland Council
Tigh an Oisein, Portree	Donald Rankin
Technical Services Store Yard, Portree	Shiel Buses

The lease rental charged for these properties is established on a Valuation and Agreement basis.

5. MANAGED PROPERTIES

- 5.1 The Association manages properties on behalf of The Highlands Small Communities Housing Trust, Highlands & Islands Enterprise, Link Housing Association and the National Trust for Scotland. Individual Management Agreements are in place with each organisation which specify the rents to be charged and the rent review arrangements.

6. CLIENT GROUPS

- 6.1 The Association provides housing for a wide range of client groups including single people, couples and families.
- 6.2 In addition to providing housing for general needs tenants and sharing owners, the Association also provides accommodation for a range of tenants with special needs including individuals with learning difficulties, mental health issues and wheelchair users. Where care is provided to these client groups, some elements may be subject to care charges levied by care providers. The Association does not directly provide care to any of the special needs client groups.
- 6.3 The Association operates open housing and transfer lists through the Highland Housing Register Allocations Policy which is designed to ensure equal opportunities for all those seeking housing within the area. Properties are allocated in a manner that is sensitive to the individual needs of the applicants and on the basis of housing need

7. RENT SETTING METHODOLOGY

- 7.1 With one exception (see paragraph 8.1), the Association's own affordable social rented housing properties are let on Scottish Secure Tenancies. Consequently, it is the Association's responsibility to set rents as set out in Part II of the Housing (Scotland) Act 1988 as superseded by the Housing (Scotland) Act 2001.
- 7.2 The Association has adopted a formula for rent setting which takes a base rent and varies it according to the characteristics of property size and type to produce "Standard Rents" for all house types. In adopting this approach, the Association has agreed a base rent for a one-person, two apartment common entrance flat as a starting point and varied the rent for different properties by application of the following percentages which are "weighted" to reflect their size and type, as follows:-

1 person/2 apartment	Base rent
2 person/2 apartment	+ 13%
3 person/3 apartment	+ 18%
4 person/3 apartment	+ 22%
4 person/4 apartment	+ 28%
5 person/4 apartment	+ 34%
5 person/5 apartment	+ 35%
6 person/4 apartment	+ 36%
6 person/5 apartment	+ 37%
7 person/5 apartment	+ 38%
7 person/6 apartment	+ 39%
8 person/5 apartment	+ 40%
8 person/6 apartment	+ 41%
8 person/7 apartment	+ 42%
8 person/8 apartment	+ 43%
Plus	
Common Entrance Flat as base rent	
Cottage Flat	+ 4%
Terraced House	+ 5%
Semi-Detached House	+ 6%
Detached House	+ 10%

7.3 Rent Calculation

Base rent	:	£-----
Size Multiplier	:	x 35%
Type Multiplier	:	x 10%

£----- x 1.45 = £-----

TOTAL RENT = **£-----**

The Standard Rent Table for 2018/2019 produced by this methodology is attached as **Appendix 1** – to follow.

8. FAIR RENTS

- 8.1 The Rent Registration (Fair Rents) Scheme applies to Housing (Scotland) Act 1987 Secure Tenancies. The Association has one tenancy governed by this legislation and the rental for this property is established by reference to the Scottish Government's Rent Registration Service.

9. SERVICE AND OTHER CHARGES

- 9.1 In addition to rental charges, some tenants and sharing owners are liable for other charges in relation to their occupancy of Association properties, as follows:-

- Service Charges - charges are applied in respect of communal electricity for lighting/satellite systems/door entry systems/and for communal cleaning of flatted properties
- Management Charges - applicable only to sharing owners

- 9.2 The Association separately identifies the costs of these services and sets charges which meet these costs on an annual basis. On average, these charges generally amount to less than 2.5% of the gross rent receivable and consequently they are discounted from consideration within the rent setting process.

10. RENT COMPARISONS

- 10.1 The Association measures the comparability of its rents with those of other similar social housing providers by using the information published by The Scottish Housing Regulator in "Scottish Registered Social Landlord Statistics". The most recent year for which information has been published is 2016/2017.
- 10.2 **Appendix 2** is an analysis of the average weekly Secure rents for Registered Social Landlords within our Peer Group. The Table is sorted in ascending order on the basis of the "All Apartments" column – to follow.
- 10.3 The Table indicates that the Association's rents are generally set at levels which are towards the lower levels of rent being set by the Peer Group.

11. FINANCIAL VIABILITY

- 11.1 A summary of the Association's Financial Plan 2018/2048 is attached as **Appendix 3**. The projected Income and Expenditure Account demonstrates that during the period of the Plan, the Association will generate sufficient surpluses to meet all of its liabilities including provisions for major repairs and

planned maintenance through the delivery of our Asset Management Programme strategy – to follow.

12. ANNUAL REVIEW

- 12.1 With the exception of the Association's leased properties and the tenancy subject to the Fair Rent Scheme, all rents are reviewed annually and will be adjusted at a rate equivalent to the Consumer Price Index (from the "October" figure) plus **one** per cent. The new rates will apply from 1 April 2018. The minimum increase to be applied in any one year will be 1%.
- 12.2 Existing Shared Ownership rents are adjusted on 1 April each year in accordance with the rate of adjustment for rented properties. In addition to rent, sharing owners will be charged a Management Fee of £120 per annum.
- 12.3 Following the annual review of service charges, these will be increased in line with the increase in rents from 1 April.

13. CONSULTATION

- 13.1 The Association is committed to consulting with tenants, sharing owners and other stakeholders on its Rent Setting Policy and will undertake a consultation exercise annually.

14. POLICY REVIEW

- 14.1 This document will be reviewed by the Management Committee or Sub-Committee set up for that purpose in accordance with the requirements of the Association's Register of Policies and Procedures.
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Appendix 1

TO FOLLOW

Appendix 2

TO FOLLOW

BUIDHEANN TIGHEADAS LOCH AILLSE AGUS AN
EILEIN SGITHEANAICH
LOCHALSH AND SKYE HOUSING ASSOCIATION

FINANCIAL PLAN 2018-2023

SUMMARY FINANCIAL PLAN 2018 - 2048

BUIDHEANN TIGHEADAS LOCH AILLSE AGUS
AN EILEIN SGITHEANAICH
LOCHALSH AND SKYE HOUSING ASSOCIATION

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FINANCIAL PLAN 2018-2048 - BASE ASSUMPTIONS
GENERAL ASSUMPTIONS

- This financial plan has been prepared in detail for a 5 year period commencing 1 April 2018. Year one represents the Association's approved budget for 2018/19.
- A summarised version of the financial plan has been prepared for a 30 year period commencing 1 April 2018
- Income is shown net of VAT. Expenditure includes VAT except those few instances where the VAT is recoverable
- Inflation, price increases and interest rates are assumed as follows

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
General increase/CPI	3.00%	3.00%	3.00%	3.00%	3.00%	3.0%
Salaries increase	2.65%	2.00%	2.00%	2.00%	2.00%	2.0%
Bank Base Rate	1.00%	1.50%	2.00%	2.50%	3.00%	3.0%
Borrowing Rate - LIBOR	0.5250%	1.0250%	1.5250%	2.0250%	2.5250%	3.0%

RENT INCOME
5 Rents

The annual rental income is based on the rents chargeable from 1 April 2018 with new properties coming on stream in line with the Development Plan. Annual rent increases across the period of the plan are shown below.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Annual increase = CPI + 1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Rent income	£ 2,731,612	£ 3,135,814	£ 3,421,447	£ 3,760,641	£ 4,186,018	

6 Service Charges

Service charges are based on the full recovery of estimated costs. Annual increases have been applied in line with the increase in rents.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Annual increase in service charges	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
	£ 37,540	£ 39,068	£ 40,638	£ 42,255	£ 43,951	

7 Shared Ownership Management Charges

Management charges for shared ownership properties are based on the full recovery of estimated costs. There are no proposals to increase the charges over the next 5 years. It is estimated that 1 of our shared ownership properties will be sold each year and that this income will gradually diminish over the next 20 years until all the properties have been sold

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Annual increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	£ 2,340	£ 2,220	£ 2,100	£ 1,980	£ 1,860	

GRANTS FROM THE SCOTTISH GOVERNMENT, HIGHLAND COUNCIL AND OTHER INCOME
8 Release of Deferred Housing Grants

Grants received for the construction and acquisition of housing properties are deferred and released as income in annual instalments over the life of the properties concerned.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Social Housing Grant	£ 1,136,423	£ 1,223,423	£ 1,308,423	£ 1,398,423	£ 1,421,423	
Other Housing Grants	£ 49,600	£ 49,600	£ 49,600	£ 49,600	£ 49,600	Based on future development
	£ 1,186,023	£ 1,273,023	£ 1,358,023	£ 1,448,023	£ 1,471,023	

9 Project Management Fees

Internal fees for years 1 to 5 are taken from the Development Plan and are based on the amount required to operate the plan with an annual allowance for inflation. The estimate shown for years 6 to 30 has been projected with an annual allowance for inflation.

External fees for years 1 to 5 are based on fees receivable for projects managed for external organisations with an annual allowance for inflation.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Internal fee income	£ 148,011	£ 119,495	£ 137,275	£ 154,700	£ 61,625	£ 20,000
External fee income	£ 19,305	£ 25,265	£ 20,655	£ 9,180	£ 17,213	£ -

10 Care & Repair Revenue Grants

Care and Repair is funded by Highland Council in line with the agreed Care & Repair Agency Agreement. Annual increases, including our assumptions from year 6 onwards, have been estimated using our general assumptions on inflation (see above).

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	£ 66,108	£ 66,108	£ 66,108	£ 68,752	£ 68,752	Annual inflation

11 Shared Equity Admin Allowance

The anticipated number each year and the level of allowance is assumed to be as follows:-

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Target	6	6	6	6	6	6
Grant	£ 500	£ 515	£ 530	£ 546	£ 562	Annual inflation
Total	£ 3,000	£ 3,090	£ 3,180	£ 3,276	£ 3,276	

12 Disabled Adaptation - Admin Grant

The target for each of the years covered and the revenue generated is shown below. Annual increases for years 6 to 30 have been estimated using our general assumptions on inflation (see above).

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Gross expenditure	£ 65,000	£ 66,950	£ 68,959	£ 71,027	£ 73,158	Annual inflation
Admin grant included above	10%	10%	10%	10%	10%	10%
Total admin grant	£ 5,909	£ 6,086	£ 6,269	£ 6,457	£ 6,651	

13 CDM Coordinator Fees

Years 1 to 5 are taken from the Development Plan. The estimate for years 6 to 30 has been projected with an annual allowance for inflation.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Internal fee income	£ 49,920	£ 47,727	£ 59,671	£ 34,808	£ -	£ 10,000
External fee income	£ 9,193	£ 6,375	£ 5,100	£ -	£ 9,563	£ -
	£ 59,113	£ 54,102	£ 64,771	£ 34,808	£ 9,563	Plus inflation

14 Clerk of Works Fees

Years 1 to 5 are taken from the Development Plan. The estimate for years 6 to 30 has been projected with an annual allowance for inflation.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Internal fee income	£ 128,558	£ 89,638	£ 102,957	£ 116,026	£ 46,219	£ 20,000
External fee income	£ 10,725	£ 14,035	£ 11,295	£ 5,100	£ 9,563	£ -
	£ 139,283	£ 103,673	£ 114,252	£ 121,126	£ 55,782	Plus inflation

15 Factoring Fees						
The fees are set annually by the Association and assumed increases based on CPI plus 1%.						
For details see the factoring database						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	108	108	108	108	108	Annual inflation
	£ 9,000	£ 9,360	£ 9,734	£ 10,123	£ 10,528	
16 Handyperson Income						
The Handyperson Service secures its income on a year by year basis. Annual increases have been estimated using our general assumptions on inflation (see above).						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Grant income	£ 165,529	£ 165,529	£ 165,529	£ 173,805	£ 173,805	
Life Changes Trust	£ 43,601	-	-	-	-	Annual inflation
	£ 209,130	£ 165,529	£ 165,529	£ 173,805	£ 173,805	
17 Community Business Development Officer						
2 Year Post partially funded until June 2018						
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
HIE Grant	£ 4,600	-	-	-	-	-
18 Energy Advice Income						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
WHS surveys	£ 3,000	£ 3,090	£ 3,183	£ 3,278	£ 3,376	Annual inflation
EPCs	£ 4,750	£ 4,893	£ 5,040	£ 5,191	£ 5,347	
Green Deals	£ -	£ -	£ -	£ -	£ -	
Lochaber support	£ 2,000	£ -	£ -	£ -	£ -	
Grant income	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000	
Total	£ 19,750	£ 17,983	£ 18,223	£ 18,469	£ 18,723	
19 Commercial and Other Rents						
Offices Bridge Road, Portree - £18,000 p.a.	Hamilton House, Kyle - £8,938 p.a.		Tech Services Store - £5,000 p.a.		5 Station Road, Kyle - £10,500 p.a.	
Hydro Site Kyle - £4,025 p.a. (from February 2019)	Main Street Kyle Unit 1 - £12,000 p.a., Unit 2 £7,000 p.a.(both from February 2019)					
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	£ 46,276	£ 65,463	£ 65,463	£ 65,463	£ 68,736	Annual inflation
20 Lease Income						
The Association leases properties to NWHCE for use as housing at mid-market rents.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Number of properties leased	5	5	5	5	5	Annual inflation
Lease Income	£ 20,173	£ 20,976	£ 21,816	£ 22,692	£ 23,604	
21 Property Management Fees						
Income is received for managing properties on behalf of NWHCE and also other organisations as follows:						
HIE - 2 properties @ £2,340 p.a.	LINK - £5,700p.a.		HSCHT-1 property @ £1,272 p.a.		NTS - 2 properties @ £2,335 p.a.	
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
NWHCE - 5 properties at Dornie	£ 8,273	£ 8,604	£ 8,952	£ 9,312	£ 9,684	Annual inflation
Other organisations	£ 11,647	£ 11,996	£ 12,356	£ 12,727	£ 13,109	
Total	£ 19,920	£ 20,600	£ 21,308	£ 22,039	£ 22,793	
22 Renewable Heat Incentives						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	£ 30,000	£ 30,000	£ 30,000	£ 30,000	£ 30,000	£ 30,000
23 Feed-in Tariffs						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	£ -	£ -	£ -	£ -	£ -	£ -
24 Heat Sales						
This income is remitted to the operator (see Note 39 below)						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	£ 80,000	£ 80,000	£ 80,000	£ 80,000	£ 80,000	Annual inflation
25 Release of Non-Housing Deferred Grants						
Grants awarded for the construction and acquisition of non-housing assets are released as income in annual instalments over the life of the assets concerned.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Non-Housing Capital Grants	£ 2,500	£ 1,500	£ 1,000	£ -	£ -	£ -
26 Income for Projects and Services Carried out on Behalf of Other Organisations						
See Note 39 below for corresponding expenditure						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
The Highland Council - Care & Repair Grants	£ 300,000	£ 300,000	£ 300,000	£ 300,000	£ 300,000	£ 300,000
The Highland Council - Housing Projects	£ 800,000	£ 800,000	£ 800,000	£ 800,000	£ 800,000	£ 800,000
	£ 1,100,000	£ 1,100,000	£ 1,100,000	£ 1,100,000	£ 1,100,000	£ 1,100,000

27 Gain on sale of assets						
This is based on an assumption of gains arising on 1 outright shared ownership sale each year.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 11
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	£ 25,000	£ 25,000	£ 25,000	£ 25,000	£ 25,000	£ 25,000

28 Bank Interest Receivable						
This is an amalgamation of all interest earned by the association and assumes an average interest rate equivalent to the prevailing bank base rate less 0.15%.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Base rate	1.00%	1.50%	2.00%	2.50%	3.00%	3.00%
Deposit rate	0.8500%	1.3500%	1.8500%	2.3500%	2.8500%	2.8500%
	£ 20,034	£ 30,811	£ 43,845	£ 60,265	£ 78,067	

EXPENDITURE

29 Salaries & Associated Costs						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Basic Assumptions						
Overtime	0%	0%	0%	0%	0%	0%
Employers NI (average rate)	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Pensions Care 1/70th	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%
Pensions Care 1/80th	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Pensions - other	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Salaries	£ 1,300,465	£ 1,364,032	£ 1,417,053	£ 1,445,399	£ 1,474,312	
Employer's NI Costs	£ 155,946	£ 163,571	£ 169,931	£ 173,330	£ 176,796	
Pensions (includes auto-enrolment)	£ 105,046	£ 110,302	£ 114,822	£ 117,096	£ 119,415	
Pension Deficit Contribution(to year 2022)	£ 97,778	£ 100,712	£ 103,733	£ 106,845	£ -	
Accrued holiday pay	£ -	£ -	£ -	£ -	£ -	
Total salary costs	£ 1,659,235	£ 1,738,617	£ 1,805,539	£ 1,842,670	£ 1,770,523	
The totals above include the following amounts which relate to Direct Labour and have been allocated to other account areas:						
	£ 442,680	£ 459,515	£ 468,723	£ 478,117	£ 487,702	
						Years 6 to 12 Increasing annually by 3.0%

30 Recruitment Costs						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	£ 3,000	£ 3,090	£ 3,183	£ 3,278	£ 3,376	Annual inflation

31 Other Staff Costs						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	£ 1,200	£ 1,236	£ 1,273	£ 1,311	£ 1,350	Annual inflation

32 Staff Travel & Subsistence						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
	£ 18,000	£ 18,540	£ 19,096	£ 19,669	£ 20,259	Annual inflation

33 Motor Vehicles						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Vehicle costs	£ 145,106	£ 149,477	£ 153,959	£ 158,580	£ 163,333	Annual inflation
The totals above include the following amounts which relate to Direct Labour and have been allocated to other account areas:						
	£ 62,511	£ 64,391	£ 66,322	£ 68,309	£ 70,356	

34 Office Related Costs						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Office Rates/Water Charges	£ 2,300	£ 2,370	£ 2,440	£ 2,510	£ 2,590	
Rents payable	£ 21,000	£ 21,630	£ 22,280	£ 22,950	£ 23,640	
Office Repairs	£ 5,000	£ 2,000	£ 2,060	£ 2,120	£ 2,180	
Office Property Insurance	£ 2,000	£ 2,060	£ 2,120	£ 2,180	£ 2,250	
General Insurances	£ 20,000	£ 20,600	£ 21,220	£ 21,860	£ 22,520	
Telephone	£ 10,000	£ 10,300	£ 10,610	£ 10,930	£ 11,260	
Heat & Light	£ 6,500	£ 6,700	£ 6,900	£ 7,110	£ 7,320	
Postage	£ 7,000	£ 7,210	£ 7,430	£ 7,650	£ 7,880	
Stationery	£ 8,500	£ 8,760	£ 9,020	£ 9,290	£ 9,570	
Printing	£ 3,500	£ 3,610	£ 3,718	£ 3,830	£ 3,945	
Publicity and Advertising	£ 3,500	£ 3,610	£ 3,720	£ 3,830	£ 3,940	
Equipment Repairs & Renewals	£ 2,500	£ 2,580	£ 2,660	£ 2,740	£ 2,820	
IT Consumables/Licences/Software	£ 15,817	£ 28,504	£ 15,985	£ 22,726	£ 17,803	
Courses, Seminars, & Training	£ 7,000	£ 7,210	£ 7,430	£ 7,650	£ 7,880	
Conferences	£ 2,000	£ 2,060	£ 2,120	£ 2,180	£ 2,250	
Subscriptions	£ 13,000	£ 13,390	£ 13,790	£ 14,200	£ 14,630	
Highland Housing Register - Admin	£ 3,000	£ 3,090	£ 3,180	£ 3,280	£ 3,380	
Highland Housing Register -Other	£ 2,534	£ 2,610	£ 2,690	£ 2,770	£ 2,850	
Committee Travel & Subsistence	£ 4,000	£ 4,120	£ 4,240	£ 4,370	£ 4,500	
IT Support Contracts	£ 12,296	£ 12,665	£ 13,045	£ 13,436	£ 13,839	
Sponsorships	£ 3,000	£ 3,090	£ 3,180	£ 3,280	£ 3,380	
Tenant Participation	£ 1,000	£ 1,030	£ 1,060	£ 1,090	£ 1,120	
Office Cleaning	£ 7,000	£ 7,210	£ 7,430	£ 7,650	£ 7,880	
Bank charges	£ 6,500	£ 6,700	£ 6,900	£ 7,110	£ 7,320	
Handyperson materials etc	£ 8,000	£ 8,240	£ 8,490	£ 8,740	£ 9,000	
Health and Safety	£ 3,000	£ 3,090	£ 3,180	£ 3,280	£ 3,380	
Room Hire	£ 500	£ 520	£ 540	£ 560	£ 580	
Hospitality	£ 500	£ 520	£ 540	£ 560	£ 580	
Compensation	£ 1,000	£ 1,030	£ 1,060	£ 1,090	£ 1,120	
Office Consumables	£ 4,500	£ 4,640	£ 4,780	£ 4,920	£ 5,070	
Vat recoverable	£ (500)	£ (520)	£ (540)	£ (560)	£ (580)	
	£ 26,512	£ 26,827	£ 27,151	£ 27,486	£ 27,831	Annual inflation
The totals above include the following amounts which relate to Direct Labour and have been allocated to other account areas:						

35 Professional Costs						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2018/19	2019/20	2020/21	2021/22	2022/23	2024 to 2048
Consultancy	£ 23,000	£ 12,000	£ -	£ -	£ -	
Audit & Accountancy	£ 16,000	£ 16,480	£ 16,970	£ 17,480	£ 18,000	
Legal Fees	£ 10,000	£ 10,300	£ 10,610	£ 10,930	£ 11,260	Annual inflation

36 Housing Property Costs						Years 6 to 30	
Expenditure is shown net of income received from insurance recoveries.						2024 to 2048	
	Year 1	Year 2	Year 3	Year 4	Year 5		
	2018/19	2019/20	2020/21	2021/22	2022/23		
Reactive Repairs							
Reactive Repairs	£ 212,830	£ 192,730	£ 199,002	£ 185,375	£ 209,186		
Direct Labour	£ 162,640	£ 195,510	£ 202,391	£ 229,565	£ 219,708		
Total	£ 375,470	£ 388,240	£ 401,393	£ 414,940	£ 428,894		
Cyclical Maintenance							
Cyclical maintenance	£ 27,140	£ 9,846	£ 12,256	£ 7,818	£ 13,656		
Direct Labour	£ 177,382	£ 165,220	£ 140,549	£ 126,261	£ 93,742		
Total	£ 204,522	£ 175,066	£ 152,805	£ 134,079	£ 107,398		
Planned Maintenance							
Planned Maintenance - Capital Components	£ 300,585	£ 55,165	£ 196,686	£ 50,510	£ 350,248		
Direct Labour	£ 174,500	£ 165,220	£ 199,580	£ 198,000	£ 246,073		
Total charged to capital	£ 475,085	£ 220,385	£ 396,266	£ 248,510	£ 596,321		
Other Planned Maintenance	£ -	£ 12,557	£ -	£ -	£ 23,946		
Direct Labour	£ -	£ 5,507	£ -	£ -	£ 5,859		
Total charged to Income as Expenditure A/c	£ -	£ 18,064	£ -	£ -	£ 29,805		
Property Service Charges							
Service charges - expenditure	£ 6,000	£ 6,180	£ 6,365	£ 6,556	£ 6,753		
Direct Labour	£ 17,181	£ 19,276	£ 19,677	£ 20,087	£ 20,506		
Property Service Charges	£ 23,181	£ 25,456	£ 26,042	£ 26,643	£ 27,259		
Property Insurance	£ 50,000	£ 55,000	£ 60,000	£ 65,000	£ 70,000		
Exceptional Circumstances Fund	£ 9,000	£ 9,270	£ 9,550	£ 9,840	£ 10,140	Annual Inflation	

Per Asset Management Strategy

37 Other Housing Costs						Years 6 to 30	
						2024 to 2048	
	Year 1	Year 2	Year 3	Year 4	Year 5		
	2018/19	2019/20	2020/21	2021/22	2022/23		
Bad Debts to be Written Off - Rents	£ 10,000	£ 10,300	£ 10,609	£ 10,927	£ 11,255		
Bad Debts to be Written Off - Others	£ 5,000	£ 5,150	£ 5,305	£ 5,464	£ 5,628		
Voids	£ 5,500	£ 5,665	£ 5,835	£ 6,010	£ 6,190		
Total	£ 20,500	£ 21,115	£ 21,750	£ 22,401	£ 23,073	Annual Inflation	

38 Biomass System						Years 6 to 30	
						2024 to 2048	
	Year 1	Year 2	Year 3	Year 4	Year 5		
	2018/19	2019/20	2020/21	2021/22	2022/23		
Heat sales remitted to operator (see Note 25 above)	£ 80,000	£ 80,000	£ 80,000	£ 80,000	£ 80,000		
Other costs	£ 9,000	£ 9,270	£ 9,550	£ 9,840	£ 10,140		
Total	£ 89,000	£ 89,270	£ 89,550	£ 89,840	£ 90,140	Annual Inflation	

39 Expenditure on Projects and Services Carried out on Behalf of Other Organisations						Years 6 to 30	
Expenditure is reimbursed in full - see Note 26 above for corresponding income						2024 to 2048	
	Year 1	Year 2	Year 3	Year 4	Year 5		
	2018/19	2019/20	2020/21	2021/22	2022/23		
The Highland Council - Care & Repair Grants	£ 300,000	£ 300,000	£ 300,000	£ 300,000	£ 300,000	£ 300,000	
The Highland Council - Housing Projects	£ 800,000	£ 800,000	£ 800,000	£ 800,000	£ 800,000	£ 800,000	
Total	£ 1,100,000	£ 1,100,000	£ 1,100,000	£ 1,100,000	£ 1,100,000	£ 1,100,000	

40 Depreciation						Years 6 to 30	
Depreciation based on existing policy						2024 to 2048	
	Year 1	Year 2	Year 3	Year 4	Year 5		
	2018/19	2019/20	2020/21	2021/22	2022/23		
Housing Properties - % based on components	£ 1,632,823	£ 1,813,293	£ 1,984,969	£ 2,225,880	£ 2,352,681		
Office and other premises - % based on components	£ 15,467	£ 15,003	£ 14,553	£ 14,116	£ 13,693		
Office Equipment - 15% reducing balance	£ 2,548	£ 2,383	£ 2,268	£ 2,188	£ 2,132		
IT Equipment - 33.3% straight line	£ 4,101	£ 6,409	£ 6,288	£ 6,077	£ 6,984		
Motor Vehicles - 25% reducing balance	£ 9,103	£ 16,827	£ 12,620	£ 9,465	£ 17,099	Based on future development and other fixed assets programme	

41 Finance Costs						Years 6 to 30		
The cost of finance is taken from the loans budget using detailed repayment schedules. Actual interest rates are used to forecast the cost of existing loans. The following assumptions are used to forecast the cost of future borrowing.						2024 to 2048		
	Year 1	Year 2	Year 3	Year 4	Year 5			
	2018/19	2019/20	2020/21	2021/22	2022/23			
Borrowing rate	0.5250%	1.0250%	1.5250%	2.0250%	2.5250%	3.00%		
Margin	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0%		
Total interest rate	2.5250%	3.0250%	3.5250%	4.0250%	4.5250%	5.00%		
Annual interest - housing properties	£ 397,516	£ 533,388	£ 667,716	£ 847,394	£ 1,025,541			
Ordinary Bank Interest and Bank Charges are simply estimated on present levels with an uplift for greater activity								
Bank interest payable	£ 500	£ 520	£ 540	£ 560	£ 580	Inflation		

42 Capital Expenditure						Years 6 to 30	
						2024 to 2048	
	Year 1	Year 2	Year 3	Year 4	Year 5		
	2018/19	2019/20	2020/21	2021/22	2022/23		
Housing Property - driven by Development Plan	£ 8,780,650	£ 7,171,581	£ 6,893,890	£ 8,544,890	£ 3,506,000		
Office and Other Premises	£ -	£ -	£ -	£ -	£ -		
Office Equipment	£ 2,000	£ 2,000	£ 2,000	£ 2,000	£ 2,000		
IT Equipment	£ 12,364	£ 11,023	£ 6,049	£ 5,653	£ 8,799		
Motor Vehicles - net replacement costs	£ -	£ 40,000	£ -	£ -	£ 40,000		
Total capital expenditure	£ 8,795,014	£ 7,224,604	£ 6,901,939	£ 8,552,543	£ 3,556,799	Based on future development	

43 Finance Utilised						Years 6 to 30	
						2024 to 2048	
	Year 1	Year 2	Year 3	Year 4	Year 5		
	2018/19	2019/20	2020/21	2021/22	2022/23		
Grant - driven by the Development Plan	£ 4,250,059	£ 4,333,211	£ 4,238,890	£ 4,524,890	£ 1,133,000		
Private Finance - driven by the Development Plan	£ 4,530,591	£ 2,838,370	£ 2,655,000	£ 4,020,000	£ 2,373,000		
Bridging Finance	£ -	£ -	£ -	£ -	£ -		
Other funding	£ -	£ -	£ -	£ -	£ -		
Shared Equity sales income	£ -	£ -	£ -	£ -	£ -		
Total finance utilised	£ 8,780,650	£ 7,171,581	£ 6,893,890	£ 8,544,890	£ 3,506,000	Based on future development and other fixed assets programme	
Shares issued	£ 10	£ 10	£ 10	£ 10	£ 10		

44 Loans repaid						Years 6 to 30	
						2024 to 2048	
	Year 1	Year 2	Year 3	Year 4	Year 5		
	2018/19	2019/20	2020/21	2021/22	2022/23		
Private Finance - Housing properties	£ 596,900	£ 672,073	£ 721,957	£ 778,581	£ 837,369		
Private Finance - Other properties	£ -	£ -	£ -	£ -	£ -		
Early repayments/Maturities	£ -	£ -	£ -	£ -	£ -		
Total loans repaid	£ 596,900	£ 672,073	£ 721,957	£ 778,581	£ 837,369	Based on future development	

DEVELOPMENT**45 Units to be constructed**

For years 1 to 5 the total number of new units has been assumed at:

Affordable Rent
Shared Equity
Mid-Market Rent

New Units
268
-
-

From year 6 onwards the the number of new units each year has been assumed at:

Affordable Rent
Shared Equity
Mid-Market Rent

Year 6+
New Units
15
-
-

46 Cost of construction

Unit cost - The Highland Council benchmark figure

Unit Cost
£ 127,500

47 Development Funding**General needs housing**Grant
Private Finance
Other Funding

Percentage
59.0%
41.0%

OTHER FIXED ASSETS**48 Office Equipment**

Years 1 to 5 per Financial Plan then £1,000 per year plus inflation

49 IT Equipment

Years 1 to 5 per Financial Plan then £5,000 per year plus inflation

50 Motor Vehicles

Years 1 to 5 per Financial Plan then vehicles renewed on a 3 year cycle thereafter

51 Housing furniture

Funded 100% from the Furniture Replacement Reserve.

STATEMENT OF COMPREHENSIVE INCOME

PROJECTIONS FOR FIVE YEARS TO 31/03/23

	Year to 31/03/2019	Year to 31/03/2020	Year to 31/03/2021	Year to 31/03/2022	Year to 31/03/2023
	£	£	£	£	£
INCOME					
Rents Receivable					
Rent	2,731,612	3,135,814	3,421,447	3,760,641	4,186,018
Service Charges	37,540	39,068	40,638	42,255	43,951
Management Charges	2,340	2,220	2,100	1,980	1,860
Voids	(5,500)	(5,665)	(5,835)	(6,010)	(6,190)
	2,765,992	3,171,437	3,458,350	3,798,866	4,225,639
The Scottish Government/Highland Council Grants and Other Income					
Release of Deferred Social Housing Grant	1,136,423	1,223,423	1,308,423	1,398,423	1,421,423
Release of Other Deferred Housing Grants	49,600	49,600	49,600	49,600	49,600
Project Management Fees - Internal	148,011	119,495	137,275	154,700	61,625
Project Management Fees - External	19,305	25,265	20,655	9,180	17,213
Care and Repair Revenue Grants	66,108	66,108	66,108	68,752	68,752
Shared Equity Admin Allowance	3,000	3,090	3,180	3,276	3,276
Admin Grant - Disabled Adaptation	5,909	6,086	6,269	6,457	6,651
CDM Coordinator Fees	59,113	54,102	64,771	34,808	9,563
Clerk of Works Fees	139,283	103,673	114,252	121,126	55,782
Factoring Fees	9,000	9,360	9,734	10,123	10,528
Handyperson Income	209,130	165,529	165,529	173,805	173,805
Community Business Development Grant	4,600	-	-	-	-
Energy Advice Service -Income	19,750	17,983	18,223	18,469	18,723
Commercial and other rent income	46,276	65,463	65,463	65,463	68,736
Properties leased to NWHCE	20,173	20,976	21,816	22,692	23,604
Property Management Fees - NWHCE	8,273	8,604	8,952	9,312	9,684
Property Management Fees - Other	11,647	11,996	12,356	12,727	13,109
Renewable Heat Incentives	30,000	30,000	30,000	30,000	30,000
Biomass Heat Sales	80,000	80,000	80,000	80,000	80,000
Release of Non-housing Deferred Grant	2,500	1,500	1,000	-	-
	2,068,101	2,062,253	2,183,606	2,268,913	2,122,074
Projects for Other Organisations					
The Highland Council - Care & Repair Grants	300,000	300,000	300,000	300,000	300,000
The Highland Council - Housing Projects	800,000	800,000	800,000	800,000	800,000
	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
TOTAL INCOME	5,934,093	6,333,690	6,741,956	7,167,779	7,447,713
OPERATING COSTS					
Staff Related Costs					
Salaries	1,300,465	1,364,032	1,417,053	1,445,399	1,474,312
Employer's NI Costs	155,946	163,571	169,931	173,330	176,796
Pensions	105,046	110,302	114,822	117,096	119,415
Pension Deficit Contribution	97,778	100,712	103,733	106,845	-
Recruitment Costs	3,000	3,090	3,183	3,278	3,376
Other Staff Costs	1,200	1,236	1,273	1,311	1,350
Staff Travel & Subsistence	18,000	18,540	19,096	19,669	20,259
Motor Vehicle Expenses	145,106	149,477	153,959	158,580	163,333
Sub total	1,826,541	1,910,960	1,983,050	2,025,508	1,958,841
Allocated to other account areas	(505,191)	(523,906)	(535,045)	(546,426)	(558,058)
	1,321,350	1,387,054	1,448,005	1,479,082	1,400,783
Office Related Costs					
Office Rates	2,300	2,370	2,440	2,510	2,590
Rents payable	21,000	21,630	22,280	22,950	23,640
Property Repairs (Non-Housing)	5,000	2,000	2,060	2,120	2,180
Office Property Insurance	2,000	2,060	2,120	2,180	2,250
General Insurances	20,000	20,600	21,220	21,860	22,520
Telephone	10,000	10,300	10,610	10,930	11,260
Heat & Light	6,500	6,700	6,900	7,110	7,320
Postage	7,000	7,210	7,430	7,650	7,880
Stationery	8,500	8,760	9,020	9,290	9,570
Printing	3,500	3,610	3,718	3,830	3,945
Publicity and Advertising	3,500	3,610	3,720	3,830	3,940
Equipment Repairs & Renewals	2,500	2,580	2,660	2,740	2,820
IT equipment/licences/software	15,817	28,504	15,985	22,726	17,803
Courses, Seminars & Training	7,000	7,210	7,430	7,650	7,880
Conferences	2,000	2,060	2,120	2,180	2,250
Subscriptions	13,000	13,390	13,790	14,200	14,630
Highland CHR - Admin	3,000	3,090	3,180	3,280	3,380
Highland CHR - Other	2,534	2,610	2,690	2,770	2,850
Committee Travel & Subsistence	4,000	4,120	4,240	4,370	4,500
Support Contracts	12,296	12,665	13,045	13,436	13,839
Sponsorships	3,000	3,090	3,180	3,280	3,380
Tenant Participation	1,000	1,030	1,060	1,090	1,120
Office Cleaning	7,000	7,210	7,430	7,650	7,880
Handyperson materials etc	8,000	8,240	8,490	8,740	9,000
Health and Safety	3,000	3,090	3,180	3,280	3,380
Room Hire	500	520	540	560	580
Hospitality	500	520	540	560	580
Compensation	1,000	1,030	1,060	1,090	1,120
Office Consumables	4,500	4,640	4,780	4,920	5,070
Bank Charges	6,500	6,700	6,900	7,110	7,320
VAT recoverable	(500)	(520)	(540)	(560)	(580)
Allocated to other account areas	(26,512)	(26,827)	(27,151)	(27,486)	(27,831)
	159,435	173,802	166,127	177,846	178,066

STATEMENT OF COMPREHENSIVE INCOME

PROJECTIONS FOR FIVE YEARS TO 31/03/23

	Year to 31/03/2019	Year to 31/03/2020	Year to 31/03/2021	Year to 31/03/2022	Year to 31/03/2023
	£	£	£	£	£
OPERATING COSTS (continued)					
Professional Costs					
Consultancy	23,000	12,000	-	-	-
Audit & Accountancy	16,000	16,480	16,970	17,480	18,000
Legal Fees	10,000	10,300	10,610	10,930	11,260
	49,000	38,780	27,580	28,410	29,260
Property Costs					
Repairs and Maintenance	375,470	388,240	401,393	414,940	428,894
Cyclical Maintenance	204,522	175,066	152,805	134,079	107,398
Planned Maintenance (not capitalised)	-	18,064	-	-	29,805
Property Service Charges	23,181	25,456	26,042	26,643	27,259
Property Insurance	50,000	55,000	60,000	65,000	70,000
Exceptional Circumstances Fund	9,000	9,270	9,550	9,840	10,140
Bad Debts - rents and services charges	10,000	10,300	10,609	10,927	11,255
Bad Debts - other	5,000	5,150	5,305	5,464	5,628
	677,173	686,546	665,704	666,893	690,379
Biomass System					
Fuel	80,000	80,000	80,000	80,000	80,000
Other Costs	9,000	9,270	9,550	9,840	10,140
	89,000	89,270	89,550	89,840	90,140
Expenditure for Other Organisations					
The Highland Council - Care & Repair Grants	300,000	300,000	300,000	300,000	300,000
The Highland Council - Housing Projects	800,000	800,000	800,000	800,000	800,000
	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Depreciation:					
Housing Property	1,632,823	1,813,293	1,984,969	2,225,880	2,352,681
Office Property	15,467	15,003	14,553	14,116	13,693
Office Equipment	2,548	2,383	2,268	2,188	2,132
IT Equipment	4,101	6,408	6,288	6,077	6,984
Motor Vehicles	9,103	16,827	12,620	9,465	17,099
	1,664,042	1,853,914	2,020,698	2,257,726	2,392,589
Total Operating Costs	5,060,000	5,329,366	5,517,664	5,799,797	5,881,217
Operating Surplus/(Deficit)	874,093	1,004,324	1,224,292	1,367,982	1,566,496
Gain on Sale of Assets					
	25,000	25,000	25,000	25,000	25,000
Bank Interest Receivable					
	20,034	30,811	43,845	60,265	78,067
Finance Costs:					
Bank Interest	500	520	540	560	580
Private Finance Loan Interest	397,516	533,388	667,716	847,394	1,025,541
Finance Costs	398,016	533,908	668,256	847,954	1,026,121
NET SURPLUS/(DEFICIT)	521,111	526,227	624,881	605,293	643,442

STATEMENT OF FINANCIAL POSITION

	31/03/2018	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
	£	£	£	£	£	£
TANGIBLE FIXED ASSETS						
Housing Properties						
Housing Properties - Cost	73,445,406	82,701,142	90,093,107	97,383,263	106,176,663	110,278,984
Housing properties Depreciation	(16,431,097)	(18,063,920)	(19,877,213)	(21,862,182)	(24,088,062)	(26,440,743)
	57,014,309	64,637,222	70,215,894	75,521,081	82,088,601	83,838,241
Other tangible fixed assets						
Investment Properties	187,500	187,500	187,500	187,500	187,500	187,500
Office Premises	507,003	491,536	476,533	461,980	447,864	434,171
Office Equipment	9,452	8,904	8,521	8,253	8,065	7,933
IT Equipment	10,343	18,606	23,221	22,982	22,558	24,373
Motor Vehicles	31,697	22,594	45,767	33,147	23,682	46,583
	57,760,304	65,366,362	70,957,436	76,234,943	82,778,270	84,538,801
INVESTMENTS	1	1	1	1	1	1
CURRENT ASSETS						
Receivables - falling due within one year						
Rent Arrears (net of bad debt provision)	60,000	60,000	60,000	60,000	60,000	60,000
Trade Debtors (net of bad debt provision)	30,000	30,000	30,000	30,000	30,000	30,000
Care & Repair debtor	30,000	30,000	30,000	30,000	30,000	30,000
Other debtors	10,000	10,000	10,000	10,000	10,000	10,000
Prepayments & Accrued Income	40,000	40,000	40,000	40,000	40,000	40,000
Funding Receivable	10,000	10,000	10,000	10,000	10,000	10,000
Due from group undertaking	700	700	500	300	100	-
	180,700	180,700	180,500	180,300	180,100	180,000
Cash & Bank	2,959,400	2,774,413	2,921,049	3,062,810	3,426,427	3,530,056
CURRENT LIABILITIES						
Payables - falling due within one year						
Loans repayable within one year	555,051	672,073	721,957	778,581	837,369	862,659
Bank Overdrafts	-	-	-	-	-	-
Trade Creditors	70,000	70,000	70,000	70,000	70,000	70,000
Other Creditors	20,000	20,000	20,000	20,000	20,000	20,000
Care & Repair creditor	10,000	10,000	10,000	10,000	10,000	10,000
Social Security and other taxation	35,000	35,000	35,000	35,000	35,000	35,000
Accrued Charges & Prepaid Income	50,000	50,000	50,000	50,000	50,000	50,000
	740,051	857,073	906,957	963,581	1,022,369	1,047,659
Deferred income - falling due within one year						
Scottish Housing Grants	1,156,423	1,136,423	1,223,423	1,308,423	1,398,423	1,421,423
Other Housing Grants	49,600	49,600	49,600	49,600	49,600	49,600
Non-Housing Grants	1,500	1,500	1,000	-	-	-
	1,207,523	1,187,523	1,274,023	1,358,023	1,448,023	1,471,023
NET CURRENT ASSETS	1,192,526	910,517	920,569	921,506	1,136,135	1,191,374
TOTAL ASSETS LESS CURRENT LIABILITIES	58,952,831	66,276,880	71,878,006	77,156,450	83,914,406	85,730,176
LONG-TERM LIABILITIES						
Payables - falling due after more than one year						
Housing Loans repayable after more than one year	13,349,929	17,166,599	19,283,012	21,159,431	24,342,062	25,852,403
Other Loans repayable after more than one year	-	-	-	-	-	-
	13,349,929	17,166,599	19,283,012	21,159,431	24,342,062	25,852,403
Deferred income - falling due after more than one year						
Scottish Housing Grants	38,183,148	41,316,784	44,426,572	47,357,039	50,483,506	50,195,083
Other Housing Grants	1,905,200	1,855,600	1,806,000	1,756,400	1,706,800	1,657,200
Non-Housing Grants	1,000	1,000	-	-	-	-
	40,089,348	43,173,384	46,232,572	49,113,439	52,190,306	51,852,283
PROVISIONS						
Holiday Pay	14,834	14,834	14,834	14,834	14,834	14,834
Pension Deficit	409,068	311,290	210,578	106,845	-	-
	423,902	326,124	225,412	121,679	14,834	14,834
NET ASSETS	5,089,652	5,610,773	6,137,010	6,761,901	7,367,204	8,010,656
CAPITAL AND RESERVES						
Called Up Share Capital	199	209	219	229	239	249
Furniture Replacement Reserve	45,184	45,184	45,184	45,184	45,184	45,184
Revenue Reserve	5,044,269	5,565,380	6,091,607	6,716,488	7,321,781	7,965,223
	5,089,652	5,610,773	6,137,010	6,761,901	7,367,204	8,010,656

CASHFLOW FORECAST	Quarter to 30-Jun-18 £000	Quarter to 30-Sep-18 £000	Quarter to 31-Dec-18 £000	Quarter to 31-Mar-19 £000	Year to 31-Mar-19 £000	Year to 31-Mar-20 £000	Year to 31-Mar-21 £000	Year to 31-Mar-22 £000	Year to 31-Mar-23 £000
CASH INFLOW									
Rents & Service Charges	675,581	675,581	699,210	715,619	2,765,992	3,171,437	3,458,350	3,798,866	4,225,639
Grants and Other Income	220,520	220,520	220,520	220,520	882,078	789,230	825,583	820,890	651,051
Other Organisations	275,000	275,000	275,000	275,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Bank Interest Receivable	5,009	5,009	5,009	5,009	20,034	30,811	43,845	60,265	78,067
Capital Grant	757,020	1,477,855	1,265,384	749,800	4,250,059	4,333,211	4,238,890	4,524,890	1,133,000
Other capital funding	-	-	-	-	4,530,591	2,838,370	2,655,000	4,020,000	2,373,000
Private Finance	1,169,582	916,248	1,264,529	1,180,232	-	-	-	-	-
Shared Equity Sales	-	-	-	25,000	25,000	25,000	25,000	25,000	25,000
Sale of other assets	-	-	-	10	10	10	10	10	10
Shares	-	-	-	10	10	200	200	200	100
Movement in Debtors	-	-	-	-	-	12,288,269	12,346,878	14,350,121	9,585,867
Total Inflow	3,102,711	3,570,212	3,729,651	3,171,189	13,573,764	12,288,269	12,346,878	14,350,121	9,585,867
CASH OUTFLOW									
Staff Costs	330,338	330,338	330,338	330,338	1,321,350	1,387,054	1,448,005	1,479,082	1,400,783
Office Related Costs	39,859	39,859	39,859	39,859	159,435	173,802	166,127	177,846	178,066
Professional Costs	12,250	12,250	12,250	12,250	49,000	38,780	27,580	28,410	29,260
Property Costs	169,293	169,293	169,293	169,293	677,173	686,546	665,704	666,893	690,379
Biomass System	22,250	22,250	22,250	22,250	89,000	89,270	89,550	89,840	90,140
Other Organisations	275,000	275,000	275,000	275,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Finance Costs	99,504	99,504	99,504	99,504	398,016	533,908	668,256	847,954	1,026,121
Development Costs	1,926,602	2,394,103	2,529,913	1,930,032	8,780,650	7,171,581	6,893,890	8,544,890	3,506,000
Capital maintenance	118,771	118,771	118,771	118,771	475,085	220,385	396,266	248,510	596,321
Other capital expenditure	3,591	3,591	3,591	3,591	14,364	53,023	8,049	7,653	50,799
Loans Repayments	149,225	149,225	149,225	149,225	596,900	672,073	721,957	778,581	837,369
Movement in Creditors	-	-	-	97,778	97,778	15,212	19,733	16,845	(23,000)
Total Outflow	3,146,683	3,614,184	3,749,994	3,247,891	13,758,751	12,141,634	12,205,117	13,986,504	9,482,238
Net Movement in Cash	(43,971)	(43,971)	(20,342)	(76,701)	(184,987)	146,635	141,761	363,617	103,629
Opening Cash and Bank	2,959,400	2,915,429	2,871,457	2,851,115	2,959,400	2,774,413	2,921,049	3,062,810	3,426,427
Closing Cash and Bank	2,915,429	2,871,457	2,851,115	2,774,413	2,774,413	2,921,049	3,062,810	3,426,427	3,530,056

Summary of Performance Ratios

	2018/19	2019/20	2020/21	2021/22	2022/23
<u>Operating Surplus / Deficit</u>	£874,093	£1,004,324	£1,224,292	£1,367,982	£1,566,496
<u>Interest Cover</u>	225%	194%	190%	168%	160%
<u>Interest Cover Adjusted</u>	231%	199%	194%	171%	163%
<u>Quick Ratio</u>	3.45	3.42	3.37	3.53	3.54
<u>Gearing</u>	23.11%	24.39%	25.20%	27.18%	28.34%
<u>Gearing (not including cash)</u>	27.37%	28.56%	29.29%	31.46%	32.65%
<u>Net Debt/Adjusted net surplus (Years)</u>	9	8	9	8	10
<u>Bad debts</u>	0.36%	0.32%	0.31%	0.29%	0.27%
<u>Staff costs/turnover</u>	26.3%	25.9%	25.2%	24.2%	23.8%
<u>Net debt per unit</u>	£21,520	£22,628	£23,535	£24,946	£25,847
<u>Liquid Asset Ratio</u>	3.24	3.22	3.18	3.35	3.37
<u>Debt Service Liability</u>	254%	236%	232%	222%	213%

Projections for 30 Years from 1 April 2018

STATEMENT OF COMPREHENSIVE INCOME

	Year 1 to 31-Mar-19 £000	Year 2 to 31-Mar-20 £000	Year 3 to 31-Mar-21 £000	Year 4 to 31-Mar-22 £000	Year 5 to 31-Mar-23 £000	Year 6 to 31-Mar-24 £000	Year 7 to 31-Mar-25 £000	Year 8 to 31-Mar-26 £000	Year 9 to 31-Mar-27 £000	Year 10 to 31-Mar-28 £000
Income										
Rents Receivable	2766	3171	3458	3799	4226	4540	4796	5066	5349	5647
Other Income	2068	2062	2184	2269	2122	2168	2183	2231	2280	2330
Projects for Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Total Income	5934	6334	6742	7168	7448	7808	8079	8397	8729	9077

TOTAL NET INCOME

	5934	6334	6742	7168	7448	7808	8079	8397	8729	9077
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Operating Costs

Staff Costs	1321	1387	1448	1479	1401	1386	1428	1470	1515	1560
Office/Admin Costs	159	174	166	178	178	210	216	223	229	236
Professional Costs	49	39	28	28	29	30	31	32	33	34
Property Costs	677	687	666	667	690	723	746	768	790	796
Biomass System	89	89	90	90	90	93	96	98	101	104
Expenditure for Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Depreciation	1664	1854	2021	2258	2393	2478	2583	2692	2797	2901
Total Operating Costs	5060	5329	5518	5800	5881	6020	6199	6383	6565	6732

Operating Surplus/(Deficit)

	874	1004	1224	1368	1566	1788	1880	2014	2164	2346
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Gain on Sale of Assets	25	25	25	25	25	25	25	25	25	25
Bank Interest Receivable	20	31	44	60	78	105	117	133	153	179
Less Finance Costs	398	534	668	848	1026	1171	1190	1210	1230	1255

NET SURPLUS/(DEFICIT)

	521	526	625	605	643	747	832	961	1111	1294
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Projections for 30 Years from 1 April 2018

STATEMENT OF COMPREHENSIVE INCOME

	Year 11 to 31-Mar-29 £000	Year 12 to 31-Mar-30 £000	Year 13 to 31-Mar-31 £000	Year 14 to 31-Mar-32 £000	Year 15 to 31-Mar-33 £000	Year 16 to 31-Mar-34 £000	Year 17 to 31-Mar-35 £000	Year 18 to 31-Mar-36 £000	Year 19 to 31-Mar-37 £000	Year 20 to 31-Mar-38 £000
Income										
Rents Receivable	5961	6290	6636	7000	7382	7783	8205	8649	9114	9603
Other Income	2382	2435	2490	2546	2605	2665	2726	2790	2855	2924
Projects for Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Total Income	9442	9825	10226	10646	11086	11548	12032	12539	13070	13627

TOTAL NET INCOME

	9442	9825	10226	10646	11086	11548	12032	12539	13070	13627
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Operating Costs

Staff Costs	1607	1655	1705	1756	1808	1863	1919	1976	2035	2096
Office/Admin Costs	243	251	258	266	274	282	290	299	308	317
Professional Costs	35	36	37	38	39	41	42	43	44	46
Property Costs	945	944	1061	1088	1109	1175	1225	1276	1329	1368
Biomass System	108	111	114	118	121	125	129	132	136	140
Expenditure for Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Depreciation	3035	3144	3263	3389	3512	3628	3769	3890	4022	4181
Total Operating Costs	7072	7240	7538	7754	7963	8213	8473	8717	8975	9249

Operating Surplus/(Deficit)

	2370	2584	2688	2892	3123	3335	3558	3821	4094	4377
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Gain on Sale of Assets	25	25	25	25	25	25	25	25	25	25
Bank Interest Receivable	207	241	283	330	386	449	520	599	690	795
Less Finance Costs	1284	1314	1339	1366	1396	1424	1450	1471	1487	1505

NET SURPLUS/(DEFICIT)

	1318	1537	1656	1882	2138	2385	2654	2974	3323	3692
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Projections for 30 Years from 1 April 2018

STATEMENT OF COMPREHENSIVE INCOME

	Year 21 to 31-Mar-39 £000	Year 22 to 31-Mar-40 £000	Year 23 to 31-Mar-41 £000	Year 24 to 31-Mar-42 £000	Year 25 to 31-Mar-43 £000	Year 26 to 31-Mar-44 £000	Year 27 to 31-Mar-45 £000	Year 28 to 31-Mar-46 £000	Year 29 to 31-Mar-47 £000	Year 30 to 31-Mar-48 £000
Income										
Rents Receivable	10117	10656	11222	11817	12441	13096	13784	14506	15263	16058
Other Income	2994	3066	3139	3216	3295	3375	3459	3545	3633	3724
Projects for Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Total Income	14210	14822	15462	16133	16836	17572	18343	19151	19997	20883

TOTAL NET INCOME	14210	14822	15462	16133	16836	17572	18343	19151	19997	20883
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Operating Costs

Staff Costs	2159	2224	2291	2360	2430	2503	2578	2656	2735	2817
Office/Admin Costs	327	337	347	357	368	379	390	402	414	427
Professional Costs	47	48	50	51	53	54	56	58	59	61
Property Costs	1552	1588	1635	1689	1738	1833	1915	1999	2087	2162
Biomass System	145	149	153	158	163	168	173	178	183	189
Expenditure for Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Depreciation	4349	4515	4686	4809	4940	5083	5239	5388	5574	5752
Total Operating Costs	9678	9961	10262	10524	10792	11121	11452	11781	12153	12509

Operating Surplus/(Deficit)	4532	4861	5200	5609	6044	6451	6891	7370	7844	8374
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Gain on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Bank Interest Receivable	910	1036	1175	1330	1509	1711	1929	2167	2423	2702
Less Finance Costs	1536	1574	1600	1604	1603	1609	1616	1620	1622	1627

NET SURPLUS/(DEFICIT)	3906	4323	4775	5335	5950	6552	7205	7916	8646	9449
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Projections for 30 Years from 1 April 2018

STATEMENT OF FINANCIAL POSITION	
	Estimated SOFP 31-Mar-18 £000
Fixed Assets	
Housing properties	57014
Other fixed assets	746
Total Fixed Assets	57760

Current assets	
Debtors	181
Bank	2959
Total Current Assets	3140
Payables - falling due within one year	740
Deferred income - falling due within one year	1208
Net Current Assets	1193
TOTAL ASSETS LESS CURRENT LIABILITIES	58953
LONG-TERM LIABILITIES	
Payables - falling due after more than one year	13350
Deferred income - falling due after more than one year	40089
Provisions	424
Net Assets	5090

Furniture Replacement Reserve	45
Revenue Reserve	5045
Total Reserves	5090

Year 1 to 31-Mar-19 £000	Year 2 to 31-Mar-20 £000	Year 3 to 31-Mar-21 £000	Year 4 to 31-Mar-22 £000	Year 5 to 31-Mar-23 £000	Year 6 to 31-Mar-24 £000	Year 7 to 31-Mar-25 £000	Year 8 to 31-Mar-26 £000	Year 9 to 31-Mar-27 £000	Year 10 to 31-Mar-28 £000
64637	70216	75521	82089	83838	84110	84861	84941	85469	85916
729	742	714	690	701	673	649	662	636	615
65366	70957	76235	82778	84539	84783	85310	85602	86105	86531

181	181	180	180	180	185	191	197	203	209
2774	2921	3063	3426	3530	3916	4414	5024	5848	6867
2955	3102	3243	3607	3710	4102	4604	5220	6051	7076
857	907	964	1022	1048	1104	1164	1227	1296	1370
1188	1274	1358	1448	1471	1497	1524	1552	1581	1610
911	921	922	1136	1191	1501	1917	2441	3174	4096
66277	71878	77156	83914	85730	86283	87227	88044	89279	90626
17167	19283	21159	24342	25852	25848	26137	26157	26433	26623
43173	46233	49113	52190	51852	51663	51487	51322	51171	51033
326	225	122	15	15	15	15	15	15	15
5611	6137	6762	7367	8011	8757	9589	10549	11661	12955

45	45	45	45	45	45	45	45	45	45
5565	6092	6716	7322	7965	8712	9543	10504	11616	12910
5611	6137	6762	7367	8010	8757	9589	10549	11661	12955

Projections for 30 Years from 1 April 2018

STATEMENT OF FINANCIAL POSITION

	Year 11 to 31-Mar-29 £000	Year 12 to 31-Mar-30 £000	Year 13 to 31-Mar-31 £000	Year 14 to 31-Mar-32 £000	Year 15 to 31-Mar-33 £000	Year 16 to 31-Mar-34 £000	Year 17 to 31-Mar-35 £000	Year 18 to 31-Mar-36 £000	Year 19 to 31-Mar-37 £000	Year 20 to 31-Mar-38 £000
Fixed Assets										
Housing properties	86591	86977	87338	87621	88056	88274	88583	88666	88717	88812
Other fixed assets	631	605	584	605	579	558	582	557	535	564
Total Fixed Assets	87222	87582	87922	88226	88635	88832	89165	89222	89252	89376
Current assets										
Debtors	215	221	228	235	242	249	257	264	272	280
Bank	7899	9274	10857	12663	14801	17191	19817	22821	26309	30255
Total Current Assets	8114	9495	11085	12898	15043	17440	20074	23085	26581	30536
Payables - falling due within one year	1379	1385	1435	1509	1593	1681	1773	1741	1718	1809
Deferred income - falling due within one year	1640	1671	1703	1736	1770	1805	1841	1878	1916	1956
Net Current Assets	5095	6440	7947	9653	11679	13954	16459	19467	22946	26770
TOTAL ASSETS LESS CURRENT LIABILITIES	92317	94022	95869	97879	100314	102785	105625	108689	112199	116146
LONG-TERM LIABILITIES										
Payables - falling due after more than one year	27120	27397	27681	27889	28249	28382	28598	28701	28882	29116
Deferred income - falling due after more than one year	50909	50800	50706	50627	50564	50517	50487	50474	50479	50501
Provisions	15	15	15	15	15	15	15	15	15	15
Net Assets	14273	15810	17467	19348	21487	23872	26526	29500	32823	36515
Furniture Replacement Reserve	45	45	45	45	45	45	45	45	45	45
Revenue Reserve	14228	15765	17422	19303	21442	23827	26481	29455	32778	36469
Total Reserves	14273	15810	17467	19348	21487	23872	26526	29500	32823	36515

Projections for 30 Years from 1 April 2018

STATEMENT OF FINANCIAL POSITION

	Year 21 31-Mar-39 £000	Year 22 31-Mar-40 £000	Year 23 31-Mar-41 £000	Year 24 31-Mar-42 £000	Year 25 31-Mar-43 £000	Year 26 31-Mar-44 £000	Year 27 31-Mar-45 £000	Year 28 31-Mar-46 £000	Year 29 31-Mar-47 £000	Year 30 31-Mar-48 £000
Fixed Assets										
Housing properties	89257	89612	89519	88945	88324	87619	87165	86526	85960	85557
Other fixed assets	537	516	548	520	499	535	507	484	525	495
Total Fixed Assets	89794	90128	90067	89466	88823	88155	87672	87010	86485	86053
Current assets										
Debtors	289	298	306	316	325	335	345	355	366	377
Bank	34522	39231	44391	50249	57136	64638	72695	81513	90977	101324
Total Current Assets	34811	39528	44697	50564	57461	64973	73039	81869	91342	101701
Payables - falling due within one year	1918	1990	2087	1790	1884	1999	2093	2209	2344	2328
Deferred income - falling due within one year	1997	2039	2082	2127	2173	2220	2269	2319	2371	2424
Net Current Assets	30896	35500	40528	46647	53404	60754	68678	77340	86627	96950
TOTAL ASSETS LESS CURRENT LIABILITIES	120691	125628	130596	136113	142227	148909	156349	164350	173112	183002
LONG-TERM LIABILITIES										
Payables - falling due after more than one year	29713	30267	30380	30462	30505	30492	30564	30461	30367	30573
Deferred income - falling due after more than one year	50542	50602	50682	50782	50903	51045	51210	51397	51608	51843
Provisions	15	15	15	15	15	15	15	15	15	15
Net Assets	40421	44743	49519	54854	60804	67356	74561	82477	91123	100572
Furniture Replacement Reserve	45	45	45	45	45	45	45	45	45	45
Revenue Reserve	40375	44698	49474	54809	60759	67311	74516	82432	91078	100527
Total Reserves	40421	44743	49519	54854	60804	67356	74561	82477	91123	100572

Projections for 30 Years from 1 April 2018

	Year 1 to 31-Mar-19 £000	Year 2 to 31-Mar-20 £000	Year 3 to 31-Mar-21 £000	Year 4 to 31-Mar-22 £000	Year 5 to 31-Mar-23 £000	Year 6 to 31-Mar-24 £000	Year 7 to 31-Mar-25 £000	Year 8 to 31-Mar-26 £000	Year 9 to 31-Mar-27 £000	Year 10 to 31-Mar-28 £000
CASH FLOW										
INCOME										
Rents	2766	3171	3458	3799	4226	4540	4796	5066	5349	5647
Other operating income	882	789	826	821	651	671	659	679	699	720
Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
HAG	4250	4333	4239	4525	1133	1308	1347	1388	1429	1472
Other capital grants	-	-	-	-	-	-	-	-	-	-
Private finance	4531	2838	2655	4020	2373	909	1256	1045	1363	1346
Shared Equity Sales	-	-	-	-	-	-	-	-	-	-
Sale of assets	25	25	25	25	25	25	25	25	25	25
Movement in debtors	-	-	-	-	-	-	-	-	-	-
Total cash inflow	13554	12257	12303	14290	9508	8548	9178	9297	9960	10305
EXPENDITURE										
Operating costs (excluding depreciation)	2296	2375	2397	2442	2389	2441	2516	2591	2668	2730
Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Finance costs	398	534	668	848	1026	1171	1190	1210	1230	1255
Development	8781	7172	6894	8545	3506	2217	2284	2352	2423	2495
Capitalised Maintenance	475	220	396	249	596	498	820	581	870	823
Other fixed assets	14	53	8	8	51	7	7	51	8	8
Loans repaid	597	672	722	779	837	863	913	968	1025	1088
Movement in creditors	98	15	20	17	(23)	(32)	(33)	(34)	(35)	(35)
Total cash outflow	13759	12142	12205	13987	9482	8266	8798	8819	9289	9464
Cash inflow/(outflow) for year	(205)	116	98	303	26	281	380	478	671	840
Cash balance b/f	2959	2774	2921	3063	3426	3530	3916	4414	5024	5848
Cash balance at year end	2754	2890	3019	3366	3452	3812	4297	4891	5695	6688
Interest receivable	20	31	44	60	78	105	117	133	153	179
Cash balance cf	2774	2921	3063	3426	3530	3916	4414	5024	5848	6867

Projections for 30 Years from 1 April 2018

	Year 11 to 31-Mar-29 £000	Year 12 to 31-Mar-30 £000	Year 13 to 31-Mar-31 £000	Year 14 to 31-Mar-32 £000	Year 15 to 31-Mar-33 £000	Year 16 to 31-Mar-34 £000	Year 17 to 31-Mar-35 £000	Year 18 to 31-Mar-36 £000	Year 19 to 31-Mar-37 £000	Year 20 to 31-Mar-38 £000
CASH FLOW										
INCOME										
Rents	5961	6290	6636	7000	7382	7783	8205	8649	9114	9603
Other operating income	742	764	787	810	835	860	885	912	939	968
Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
HAG	1516	1562	1609	1657	1707	1758	1811	1865	1921	1979
Other capital grants	-	-	-	-	-	-	-	-	-	-
Private finance	1654	1434	1485	1475	1705	1558	1725	1572	1620	1755
Shared Equity Sales										
Sale of assets	25	25	25	25	25	25	25	25	25	25
Movement in debtors	(6)	(6)	(7)	(7)	(7)	(7)	(7)	(8)	(8)	(8)
Total cash inflow	10992	11168	11635	12060	12746	13077	13744	14115	14712	15421
EXPENDITURE										
Operating costs (excluding depreciation)	2937	2997	3175	3265	3351	3485	3605	3727	3853	3968
Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Finance costs	1284	1314	1339	1366	1396	1424	1450	1471	1487	1505
Development	2570	2647	2727	2809	2893	2980	3069	3161	3256	3354
Capitalised Maintenance	1101	849	867	824	1019	836	967	776	785	880
Other fixed assets	56	8	9	61	9	9	66	10	10	72
Loans repaid	1155	1158	1157	1200	1268	1345	1425	1510	1469	1439
Movement in creditors	(36)	(38)	(39)	(40)	(41)	(42)	(44)	(45)	(46)	(48)
Total cash outflow	10167	10035	10335	10584	10994	11136	11638	11710	11915	12269
Cash inflow/(outflow) for year	825	1133	1300	1476	1751	1940	2107	2405	2797	3152
Cash balance b/f	6867	7899	9274	10857	12663	14801	17191	19817	22821	26309
Cash balance at year end	7692	9033	10574	12333	14415	16741	19297	22222	25618	29461
Interest receivable	207	241	283	330	386	449	520	599	690	795
Cash balance c/f	7899	9274	10857	12663	14801	17191	19817	22821	26309	30255

Projections for 30 Years from 1 April 2018

	Year 21 to 31-Mar-39 £000	Year 22 to 31-Mar-40 £000	Year 23 to 31-Mar-41 £000	Year 24 to 31-Mar-42 £000	Year 25 to 31-Mar-43 £000	Year 26 to 31-Mar-44 £000	Year 27 to 31-Mar-45 £000	Year 28 to 31-Mar-46 £000	Year 29 to 31-Mar-47 £000	Year 30 to 31-Mar-48 £000
CASH FLOW										
INCOME										
Rents	10117	10656	11222	11817	12441	13096	13784	14506	15263	16058
Other operating income	997	1027	1057	1089	1122	1155	1190	1226	1262	1300
Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
HAG	2038	2099	2162	2227	2294	2363	2433	2506	2582	2659
Other capital grants	-	-	-	-	-	-	-	-	-	-
Private finance	2218	2238	1885	1548	1594	1642	1810	1742	1874	2146
Shared Equity Sales	-	-	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-	-	-
Movement in debtors	(8)	(9)	(9)	(9)	(9)	(10)	(10)	(10)	(11)	(11)
Total cash inflow	16461	17111	17417	17771	18541	19346	20307	21070	22071	23253
EXPENDITURE										
Operating costs (excluding depreciation)	4229	4346	4476	4615	4752	4938	5113	5293	5479	5656
Other Organisations	1100	1100	1100	1100	1100	1100	1100	1100	1100	1100
Finance costs	1536	1574	1600	1604	1603	1609	1616	1620	1622	1627
Development	3454	3558	3665	3774	3888	4004	4124	4248	4376	4507
Capitalised Maintenance	1302	1279	882	421	397	325	619	465	580	799
Other fixed assets	11	11	79	12	12	86	13	13	94	14
Loans repaid	1521	1621	1684	1772	1466	1550	1655	1738	1844	1968
Movement in creditors	(50)	(51)	(52)	(54)	(56)	(57)	(59)	(61)	(63)	(64)
Total cash outflow	13104	13438	13432	13243	13162	13555	14181	14417	15031	15607
Cash inflow/(outflow) for year	3357	3672	3985	4528	5379	5791	6127	6652	7040	7646
Cash balance b/f	30255	34522	39231	44391	50249	57136	64638	72695	81513	90977
Cash balance at year end	33612	38195	43216	48919	55628	62927	70765	79347	88553	98623
Interest receivable	910	1036	1175	1330	1509	1711	1929	2167	2423	2702
Cash balance cf	34522	39231	44391	50249	57136	64638	72695	81513	90977	101324

Summary of Performance Ratios

	1	2	3	4	5	6	7	8	9	10
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
<u>Operating Surplus / Deficit</u>	£874,093	£1,004,324	£1,224,292	£1,367,982	£1,566,496	£1,788,274	£1,879,994	£2,013,523	£2,164,126	£2,345,574
<u>Interest Cover</u>	225%	194%	190%	168%	160%	162%	168%	177%	188%	201%
<u>Interest Cover Adjusted</u>	231%	199%	194%	171%	163%	164%	170%	179%	190%	203%
<u>Quick Ratio</u>	3.45	3.42	3.37	3.53	3.54	3.72	3.96	4.25	4.67	5.16
<u>Gearing</u>	23.1%	24.4%	25.2%	27.2%	28.3%	27.2%	26.4%	25.1%	23.8%	22.3%
<u>Gearing (not including cash)</u>	27.4%	28.6%	29.3%	31.5%	32.7%	31.9%	31.5%	30.8%	30.3%	29.6%
<u>Net Debt/Adjusted net surplus (Years)</u>	9	8	9	8	10	8	9	7	7	6
<u>Bad debts</u>	0.36%	0.32%	0.31%	0.29%	0.27%	0.26%	0.25%	0.24%	0.24%	0.23%
<u>Staff costs/turnover</u>	26.3%	25.9%	25.2%	24.2%	23.8%	23.4%	23.2%	23.0%	22.8%	22.6%
<u>Net debt per unit</u>	£21,520	£22,628	£23,535	£24,946	£25,847	£25,050	£24,477	£23,523	£22,646	£21,514
<u>Liquid Asset Ratio</u>	3.24	3.22	3.18	3.35	3.37	3.55	3.79	4.09	4.51	5.01
<u>Debt Service Liability</u>	254%	236%	232%	222%	213%	209%	211%	215%	219%	223%

Summary of Performance Ratios

	11	12	13	14	15	16	17	18	19	20
	2028/29	2029/30	2031/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
<u>Operating Surplus / Deficit</u>	£2,369,667	£2,584,369	£2,687,722	£2,892,309	£3,123,304	£3,335,075	£3,558,345	£3,821,286	£4,094,499	£4,377,235
<u>Interest Cover</u>	201%	215%	222%	236%	251%	266%	281%	300%	322%	344%
<u>Interest Cover Adjusted</u>	203%	217%	224%	238%	253%	267%	283%	302%	324%	345%
<u>Quick Ratio</u>	5.88	6.86	7.73	8.55	9.44	10.37	11.32	13.26	15.47	16.88
<u>Gearing</u>	21.1%	19.4%	17.5%	15.5%	13.4%	11.0%	8.7%	5.9%	3.1%	0.3%
<u>Gearing (not including cash)</u>	29.3%	28.7%	28.1%	27.4%	26.8%	26.0%	25.3%	24.4%	23.5%	22.8%
<u>Net Debt/Adjusted net surplus (Years)</u>	6	5	4	4	3	2	2	1	1	0
<u>Bad debts</u>	0.23%	0.22%	0.21%	0.21%	0.20%	0.20%	0.20%	0.19%	0.19%	0.18%
<u>Staff costs/turnover</u>	22.4%	22.2%	21.9%	21.7%	21.5%	21.2%	21.0%	20.7%	20.5%	20.2%
<u>Net debt per unit</u>	£20,647	£19,241	£17,723	£15,982	£14,129	£11,880	£9,554	£6,730	£3,625	£340
<u>Liquid Asset Ratio</u>	5.73	6.70	7.57	8.39	9.29	10.23	11.18	13.11	15.31	16.72
<u>Debt Service Liability</u>	220%	231%	238%	244%	248%	251%	254%	258%	274%	290%

Summary of Performance Ratios

	21	22	23	24	25	26	27	28	29	30
	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48
<u>Operating Surplus / Deficit</u>	£4,532,003	£4,860,731	£5,199,944	£5,609,398	£6,043,998	£6,450,785	£6,891,124	£7,369,607	£7,844,327	£8,374,083
<u>Interest Cover</u>	354%	375%	399%	433%	471%	507%	546%	589%	633%	681%
<u>Interest Cover Adjusted</u>	354%	375%	399%	433%	471%	507%	546%	589%	633%	681%
<u>Quick Ratio</u>	18.15	19.87	21.42	28.24	30.49	32.50	34.90	37.05	38.96	43.69
<u>Gearing</u>	-2.3%	-5.0%	-7.9%	-11.3%	-14.8%	-18.2%	-21.5%	-24.8%	-27.9%	-31.0%
<u>Gearing (not including cash)</u>	22.3%	21.7%	20.9%	19.8%	18.9%	18.0%	17.2%	16.3%	15.4%	14.6%
<u>Net Debt/Adjusted net surplus (Years)</u>	- 0 -	1 -	1 -	2 -	2 -	3 -	3 -	4 -	4 -	5
<u>Bad debts</u>	0.18%	0.17%	0.17%	0.17%	0.16%	0.16%	0.16%	0.15%	0.15%	0.15%
<u>Staff costs/turnover</u>	20.0%	19.7%	19.5%	19.2%	19.0%	18.7%	18.5%	18.2%	18.0%	17.8%
<u>Net debt per unit</u>	-£2,804	-£6,319	-£10,488	-£15,500	-£20,953	-£26,808	-£32,920	-£39,620	-£46,652	-£54,097
<u>Liquid Asset Ratio</u>	18.00	19.72	21.27	28.07	30.32	32.34	34.74	36.89	38.81	43.53
<u>Debt Service Liability</u>	290%	293%	300%	308%	357%	364%	370%	379%	386%	392%

Scenario Planning

Summary of Results - Plans A to E

The Association recognises that there are a range of factors which may impact on its business and financial plans. All of these risks are identified within the Risk Register and actions have been identified to mitigate the potential effects of these risks.

In terms of financial planning, a key strength for the Association is that almost all of its housing stock has been constructed from new within the last 25 years and the Association has been able to set aside sufficient reserves to ensure that a robust programme of reactive, cyclical and planned maintenance has been able to be carried out timeously. This has assisted in ensuring that the Association has been able to meet all of the requirements of the Scottish Housing Quality Standard.

The Association has also consistently demonstrated that its rent collection, arrears management and void management policies and procedures are extremely robust and our Peer Group Report outcomes over many years demonstrate that the Association is in the top quartile of performers. It is considered that our low-level assumptions in respect of these factors are justified based on past performance.

The key risks relate to factors outwith the direct control of the Association and relate to the future rate of inflation, interest rates and rent levels.

Main Plan

Plan	Scenarios			Borrowing Rate
	CPI	Rent Increase		
Plan A Base assumptions from year 6	3.0%	4.0%		5.00%
Plan B Libor + 1%	3.0%	4.0%		6.00%
Plan C CPI +1%	4.00%	5.00%		5.00%
Plan D CPI + 1% and Libor +1%	4.00%	5.00%		6.00%
Plan E As Plan D but rent increase = CPI	4.0%	4.0%		6.00%

Start £000	Accumulated reserves					Year 30 £000
	Year 5 £000	Year 10 £000	Year 15 £000	Year 20 £000	Year 25 £000	
5090	8010	12955	21487	36515	60804	100572
5090	7133	10598	17243	29931	51356	87764
5090	8462	15000	26580	47014	80657	136310
5090	7585	12631	22270	40238	70777	122696
5090	7015	9783	14235	22212	35135	57662

Start £000	Cash balances					Year 30 £000
	Year 5 £000	Year 10 £000	Year 15 £000	Year 20 £000	Year 25 £000	
2959	3530	6867	14801	30255	57136	101324
2959	2923	5074	11375	24672	48826	89643
2959	3988	9053	20313	41680	78646	139930
2959	3381	7252	16837	35946	69991	127591
2959	2811	4404	8802	17921	34348	62558