

AGENDA ITEM NO.6**ARUN DISTRICT COUNCIL****REPORT TO AND DECISION OF CABINET
ON 6th FEBRUARY 2017****PART A : REPORT**

SUBJECT: Arun District Council Budget 2017/18
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REPORT AUTHOR: Alan Peach, Head of Finance and Property	DATE: January 2017
EXTN: 37558	

EXECUTIVE SUMMARY: The report sets out the Revenue and Capital Budgets for 2017/18 for both the General Fund and the Housing Revenue Account.
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RECOMMENDATIONS

The recommendations are contained within section 10 of the Budget report in **Appendix A**.

Cabinet is requested to note that the Head of Finance and Property, in consultation with the Deputy Leader of the Council and Cabinet member for Corporate Governance, has approved a Council Tax base of 59,456 for 2017/18.

Cabinet is requested to recommend to Full Council that:

- i. The General Fund Revenue budget as set out in **Appendix 1** is approved.
- ii. Arun's band D council tax for 2017/18 is set at £171.27, an increase of 2.98%.
- iii. Arun's Council Tax Requirement for 2017/18, based on a Band D Council Tax of £171.27, is set at £10,183,029 plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements.
- iv. The HRA budget as set out in **Appendix 2** is approved.
- v. The HRA rents for 2017/18 are set at 1% below the current year's level in accordance with the provisions of the Welfare Reform and Work Bill.
- vi. HRA garage rents are increased by 5% to give a standard charge of £10.63 per week (excluding VAT), and heating and water/sewerage charges increased on a scheme by scheme basis, with a view to balancing costs with income.
- vii. The Capital budget as set out in **Appendix 3** is approved.

1. BACKGROUND:		
Prior to the start of each financial year, the Council sets its budget, Council Tax levels and housing rent levels for the year.		
2. PROPOSAL(S):		
The Cabinet is requested to consider the report and to approve the recommendations.		
3. OPTIONS:		
None		
4. CONSULTATION:		
Has consultation been undertaken with:		
	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify) Overview Select Committee	✓	
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)		
Financial	✓	
Legal		✓
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology		✓
Other (please explain)		✓
6. IMPLICATIONS:		
The budget will form the main reference point for financial decisions made in 2017/18.		

7. REASON FOR THE DECISION:
To ensure that the council has a firm financial basis for conducting its business in 2017/18.

8. BACKGROUND PAPERS:
Correspondence from the DCLG (Department of Communities and Local Government) and Department for Work and Pensions. Budget Working Papers (held by Accountancy) Draft Budget 2017-2018

APPENDIX A**ARUN DISTRICT COUNCIL BUDGET 2017/18****REPORT BY THE HEAD OF FINANCE AND
PROPERTY****1.0 Introduction**

1.1 This report sets out the Capital, Housing Revenue and General Fund Revenue budget for 2017/18. These budgets have been prepared taking account of the following:

- The Medium Term Financial Strategy 2016/17 to 2021/22 considered at Cabinet 17th October 2016.
- The provisional Local Government Finance settlement issued by the Department of Communities and Local Government (DCLG) in December 2016.
- Housing Revenue Account business plan (currently under review).

1.2 The Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of the estimates made for the purposes of calculating Council Tax and housing rent levels, and the adequacy of the proposed financial balances. I am satisfied that the estimates, as presented in the draft budget, are sufficiently robust and that the reserve balances proposed for 2017/18 are adequate.

2.0 Local Government Finance Settlement and Council Tax

2.1 The Council accepted the four-year settlement that was announced last year. The funding encompasses: Revenue Support Grant; Transition Grant; and Top-ups and Tariffs related to Retained Business Rates.

2.2 The Business Rate Retention scheme was introduced in April 2013. The scheme focuses on promoting economic growth through the local retention of business rates. Currently half of the rates revenue is retained locally with the local share being split between Arun (80%) and West Sussex County Council (20%).

2.3 The Business Rates Retention scheme has transferred a considerable risk to the council by linking DCLG support directly to the local economy. This is a strong incentive for the Council to ensure that the business ratings list is fully inclusive and to encourage a buoyant local economy. It is also important to note any significant negative changes in the value of the ratings list will directly reduce the level of funding received in future, such as valuation appeals which can be backdated. There is an additional level of uncertainty for business rates income for 2017/18 as

the new ratings list comes into effect from April 2017 and this is likely to lead to a significant number of new appeals.

- 2.4 The 2015 Spending Review announced a number of significant changes in the way Local Government will be funded in the future. The announcements made confirmed the proposal for the 100% business rate retention by 2020. However, the announcement on the outcome of the technical consultation on retained business rates has been delayed until 2018. There is anticipated to be a shift between the tiers of local government and the potential of transferring extra responsibility (and cost) to Local Government.
- 2.5 The New Homes Bonus (NHB) was introduced in 2011/12. The aim of the grant is to create an incentive which rewards local authorities that deliver sustainable housing growth in their areas. The basis of the grant is that for each new housing unit delivered an annual bonus of £1,530 (band D equivalent) is payable. In addition, a £350 bonus is also paid for each additional unit of affordable housing. The NHB is shared between Arun (80%) and WSCC (20%).
- 2.6 It should be noted that the Government is also considering withholding NHB from Local Authorities that are not planning effectively by making positive decisions on planning applications and delivering housing growth. From 2018/19 NHB may be withheld for homes that have been built following appeal. The government will not introduce the proposal to withhold NHB payments for areas without a Local Plan in 2017/18 but may consider doing this in the future following consultation.
- 2.7 The New Homes Bonus for 2017/18 is £3.677m (reduction of £337k). This includes an affordable homes premium of £13k. The allocation for 2017/18 was subject to a 0.4 percent baseline or deadweight adjustment for growth deemed to have happened anyway. The grant will be paid for 5 years for 2017/18 and then drop to 4 years. The level of NHB is summarised in the table below:

NHB Payment relating to:	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2011/12	509	509	509	509	509	509	0
2012/13		556	556	556	556	556	0
2013/14			1,000	1,000	1,000	1,000	1,000
2014/15				484	484	484	484
2015/16					539	539	539
2016/17						926	926
2017/18							728
Total	509	1,065	2,065	2,549	3,088	4,014	3,677

2.8 The changes in Government grant funding are summarised in the table below:

Non-Ringfenced Grant Income	2016/17	2017/18	Change
	£`000	£`000	£`000
Business rates retention*	3,183	5,048	1,865
Revenue Support Grant (RSG)	1,666	750	(916)
Total Formula Grant:	4,849	5,798	949
New Homes Bonus:	4,014	3,677	(337)
Other non-ringfenced grants:			
Housing Benefits Administration Grant	524	503	(21)
Localising Council Tax Support Administration Grant	157	198	41
Transition Grant**		81	81
Business rates collection allowance	174	174	0
Total Other Non-ringfenced grants:	855	956	101
Total non-ringfenced grant income	9,718	10,431	713
*including s31 grants, Tariff and Levy			
** 2016/17 Transition Grant £82k			

2.9 The difference in budget for Retained Business rates is mainly due to the phasing of income (a result of the way the Government has set up the system).

2.10 The Council Tax income figure of £10.183m for Arun (excluding Parish/town Councils) referred to in the General Fund Summary (appendix 1) is based on an Arun Band D Council Tax of £171.27, which represents an increase of £4.95 or 2.98% (£4.95 or 3.07% 2016/17). This has started to redress the reduction, in real terms, of the Council Tax Income Base which was frozen for 5 years. Arun's tax base for 2017/18 shows a significant increase over 2016/17 (from 57,803 to 59,456). This is chiefly due to the completion of new dwellings in the District. The government's calculation of the Council's spending power is based on a £5 increase on a band D Council Tax.

3.0 Budget Assumptions

3.1 The budget for 2017/18 includes provision for a 1.0% pay award. As in previous years, no provision has been made for price increases in goods, services and contracts except where there is clear evidence of the need for it.

3.2 With regard to fees and charges, increases have been applied either in accordance with statutory provisions, or, where the Council has discretion by inflation, having regard to specific service circumstances.

3.3 HRA rents have been set at 1% below the 2015/16 current year's level in accordance with statutory provisions (Welfare Reform and Work Bill).

4.0 General Fund Revenue Budget

- 4.1 A summary of the General Fund Revenue budget showing 2016/17 Original Budget and 2017/18 proposed budget, summarised by Service Portfolio is shown in **Appendix 1**. A summary of the projected movement on General Fund Reserve is shown in the table below:

General Fund Reserve Movement	Original Budget	Current Budget	2017/18 Budget
	£'000	£'000	£'000
Net Budget Requirement	23,974	24,854	24,700
Financed by:			
Government Grants and Retained Business Rates	(9,718)	(10,033)	(10,431)
Council Tax (including collection fund surplus)	(13,537)	(13,537)	(14,255)
Taken From / (Added to) Balances	719	1,284	14
General Fund Balance 1 April	10,161	10,161	8,005
Supplementary Estimates*		(1,264)	
Change in Financing of Arun Leisure Centre improvements		(1,004)	
Outturn on General Fund	(719)	(719)	(14)
Current Budget Variation Estimated Outturn 2016/17**		831	
Total Taken From Balances	(719)	(2,156)	(14)
General Fund Balance 31 March 2018	9,442	8,005	7,991

* includes £699k requested pending approval ** November 2016

- 4.2 The current budget amount taken from balance of £1.284m includes approved supplementary estimates totalling £565k (November 2016). The estimated outturn for 2016/17 includes a further £699k for a number of supplementary estimates that are known but still require Council approval resulting in a total of £1.264m. When the budget for 2016/17 was prepared the precise nature of the works at the Arun Leisure Centre was unknown. These works are mainly revenue in nature and therefore cannot be financed as capital expenditure. It should be noted that the costs of these works are effectively borne by the Council's leisure management provider in the form of increased annual revenue contributions. The net effect of the ALC works is £1.004m in 2016/17. The total anticipated draw down from reserves is therefore £2.156m for 2016/17 resulting in a GF balance of approximately £8m at 31 March 2017 subject to the current budget variation continuing.
- 4.3 The Council is anticipating the receipt of significant s106 sums for maintenance in perpetuity in respect of a number of sites and these sums will enhance the forecast level of General Fund balance. However, the receipt of these sums will also lead to the requirement for additional revenue expenditure in respect of maintaining the relevant sites. These sums are not included in the budget for 2017/18 or the estimated outturn for 2016/17 as the timing of the receipts is not certain.

4.4 The proposed 2017/18 budget draws £14k from reserves, a change of (£705k) from the 2016/17 original budget. The £14k proposed draw down General Fund reserve for 2017/18 includes a £2.0m contribution to fund the revenue expenditure for the Littlehampton Leisure Centre.

4.5 A summary of headline changes is given below:

General Fund Budget 2017/18	Changes +/- £ 50k	£'000
Service changes:		
Pay award		128
Senior Management Restructure		152
Establishment Savings (deleted posts)		(251)
Spinal Column Point changes (net)		88
Grants to Joint Arun Area Committees		(75)
Rent Allowances		(190)
Major Contracts Saving		(998)
Homelessness net		54
Increase in income		(138)
HRA recharge		(151)
Change in required Contingencies		(359)
Parish grant taper		(144)
Change in Earmarked Reserve financing		3,100
Capital expenditure financed from revenue fall out of 2016/17 programme		(1,870)
Capital expenditure financed from revenue 2017/18 programme		1,111
Council Tax Income increase		(569)
Change in Retained Business Rates		(1,865)
Reduction in RSG		916
Reduction in New Homes Bonus		337
Other non-ringfenced grants		(101)
Other changes <£50k		120
Net change in budgeted reserve movement		(705)
Reserve 2016/17 budgeted draw down		(719)
Reserve 2017/18 budgeted draw down		(14)
Net reserve change		705

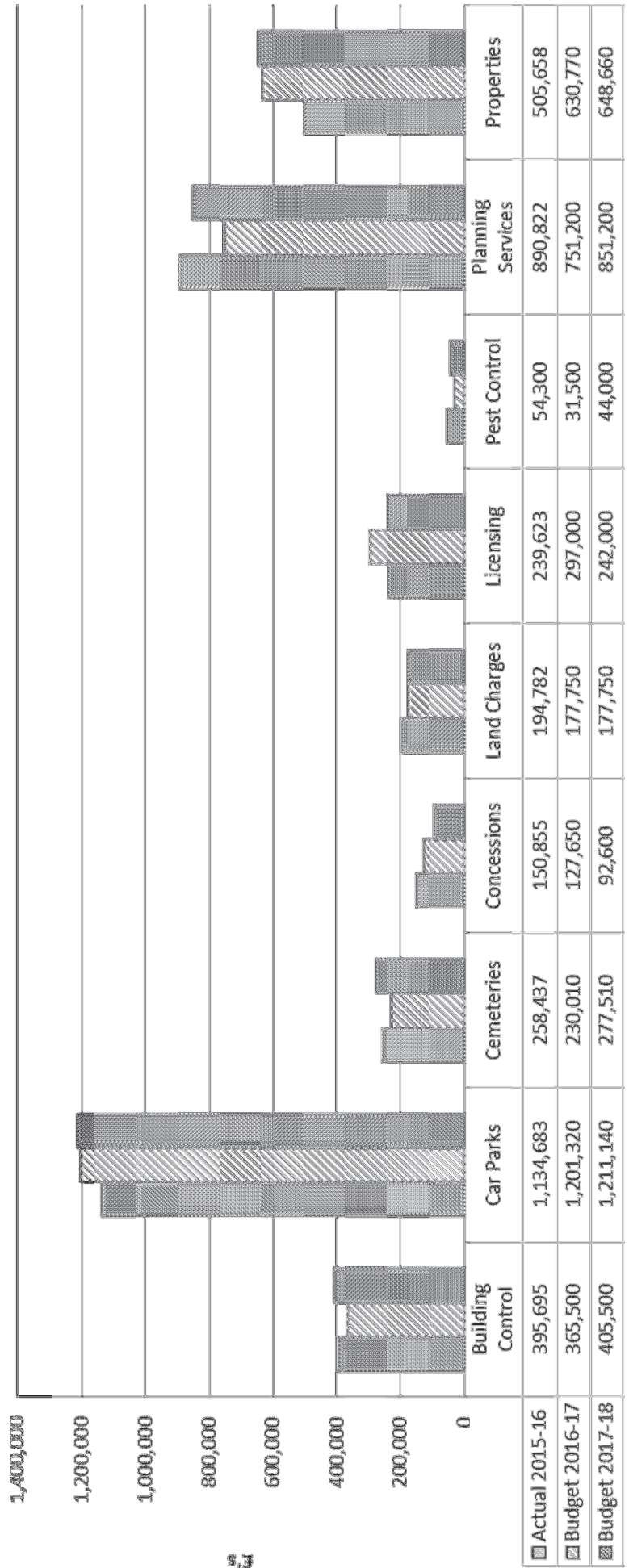
4.6 The outcome of the triennial revaluation of the pension fund has resulted in an increase in the amount paid as a lump sum and a corresponding reduction in the amount paid as an oncost to salary budgets. This has led to a reduction in service expenditure and an increase in corporate costs. This is due to a change in the way that pension contributions are calculated and presented. The total amount included in the budget for 2017/18 is broadly similar to what was included in 2016/17.

4.7 The establishment budget has been increased by £152k for the Senior Management restructure. Work on restructuring the new groups to achieve the required savings has begun and will continue when the new Group Heads formally take on their roles in April 2017. A significant saving has been achieved from posts that have been cut out of the establishment (£251k). Other pressures on the establishment budget

include the introduction of the Apprentice scheme levy which is a 0.5 percent charge on employers of the total pay bill (minus a £15k levy allowance) the budgeted net cost of the scheme is £29k for 2017/18.

- 4.8 The budget assumes a (£190k) reduction in net expenditure for Rent Allowances. It should be noted that the prediction is based on trends relating to the number and type of claims remaining stable as changes in the type of claims can result in significant variances
- 4.9 The budget for Homelessness Bed and Breakfast provision has been under significant pressure from an increase in the number of people presenting as homeless, cost pressure from providers and a freeze in Housing Benefit resulting in a request for a supplementary estimate in 2016/17 and an increase in the budget of £54k in 2017/18.
- 4.10 The renewal of the Green Space Management contract and Combined Cleansing contracts during 2016/17 resulted in significant savings to the council (£178k) and (£363) respectively. 2017/18 is also the first year that the Council benefits from the full effect of the retendering of the Leisure Management Contract which has resulted in a further budget to budget reduction of (£424k).
- 4.11 The Contingencies and Special Items budget is assessed each year as a provision for known possible service changes that have not been sufficiently developed to fully cost into the budget. The budget includes £250k for the Community Flood Fund (paragraph 8.4) which is not capital by definition and cannot be included in the capital programme; £400k for work related to the Local Plan; and £155k for Vision 2020 related restructure costs. The budget also makes allowance for a post targeted at improving the quality of the Council's recycling and waste minimisation. This area could have significant financial implications for the future if recycling rates and waste minimisation is not improved. As reported above the retendering of the Combined Waste Contract has resulted in significant saving in the revenue budget, which includes the addition of a fixed term post.
- 4.12 Income from fees, charges and rents are included within net cost of service. In total this amounts to overall financing of £3.95m (£3.81m 2016/17). Income is a key risk area to the budget as it is predominantly externally influenced, without a direct link to service cost and each source is unique. Total income has increased by (£140k). The main increase relates to Development Control, where the budget has been increased by (£100k) to more closely align with recent outturns and Cemeteries income (£47k) as included in the Vision 2020 savings. The graph below shows income by source and value, and demonstrates trend. The income estimates included in 2017/18 appear robust.

Income 2017-18



5.0 Earmarked Reserves

Earmarked Reserves are amounts of money specifically identified for operational purposes and held alongside the General Fund for drawdown as required. The total value of earmarked reserves at the end of 2016/17 financial year was £13.177m (£11.458m previous year), with approved in-year virements of £6.015m during 2016/17. The carry forward balance into 2017/18 will therefore be a minimum of £7.162m, depending upon the amount of budget variation during 2016/17. Budget expenditure relating to these reserves is isolated from the cost of service for General Fund financing purposes. Earmarked reserves are drawn down into the budget as required through the virement approval process.

6.0 Risk analysis

- 6.1 Corporate and Operational risk registers have been reviewed for financial implications as part of the budget process on the criteria of probability of occurrence and materiality of impact upon balances.
- 6.2 The senior management restructure was completed during 2016/17 with new Group Heads appointed from 1st April 2017. At this point in time it is not possible to estimate the likely cost of the next phase of the transformation programme with any degree of accuracy. A further report is due to go to Council to outline the required cuts and the potential costs associated with the changes which are likely to require a supplementary estimate during 2017/18.
- 6.3 The level of New Homes Bonus (NHB) has been relatively buoyant but this could easily change if the level of house building tailed off in the District and this is closely monitored on a monthly basis.
- 6.4 The proposed levy re the sale of high value dwellings has been postponed by the government.
- 6.5 The Council has gained substantial benefit from business rate growth, particularly due to the opening of new supermarkets in the district. However, under the business rate retention scheme Arun carries a significant share of the risks associated with business rate appeals and these risks could increase as a result of the new rating list coming into effect from April 2017.
- 6.6 No further significant risks have been identified relating to 2017/18. However, some lesser risks are inherent within the overall budget. These are discussed below.
- 6.7 Income: the budget includes £3.95m from fees, charges and rents; these have been set on the basis of achievement of the level of predicted income and previous outturn, including known changes in environment. A potential risk could be a poor summer resulting in lower car park income. A review of income has been undertaken and it is considered to be achievable.

- 6.8 The vacancy management factor continues to be set at £450k. The target is subject to increased uncertainty in 2017/18 due to the requirement to restructure the new service groups to meet the Council's 2020 vision targets.
- 6.9 Homelessness: The budget for 2017/18 has been increased. The number of people presenting as homeless is increasing, resulting in financial pressures on the Council. The mitigation is to ensure strict application of the eligibility criteria, sign posting to other more appropriate organisations and getting people onto Housing Benefit as soon as possible. The Homelessness Reduction Bill could have significant implications for the Homelessness budget.

7.0 Housing Revenue Account Budget

- 7.1 A summary of the Housing Revenue Account (HRA) budget, including Major Repairs Reserve, is shown at Appendix 2.
- 7.2 A complete reappraisal of the current year's HRA was undertaken as part of the budgetary process. The financing of the acquisition/new build programme (enhanced by the supplementary estimate of £691,000) was reassessed in the light of the available level of "1 for 1" receipts and a number of savings in supervision and management costs identified. These changes are reflected in the opening HRA balance for 2017/18.
- 7.3 The budget for 2017/18 has been prepared on the basis of rents being reduced by a further 1% in accordance with the provisions of the Welfare reform and Work Bill.
- 7.4 The Government has confirmed that the "pay-to-stay" policy, under which higher-earning tenants are charged a higher rent, will not be mandatory, though local authorities are able to introduce the policy on a voluntary basis. The Government has also confirmed that there will be no levy in respect of the sale of higher value dwellings until 2018/19 at the earliest.
- 7.5 The 2017/18 HRA budget is broadly in line with the current HRA financial model. However, the HRA Business Plan is currently being updated and the financial model will need to reflect the policies and priorities of the new Plan. In particular decisions will need to be made with regard to the utilisation of the Council's "1 for 1" receipts.

8.0 Capital, Asset Management and other projects Budget

- 8.1 A summary of the Capital, Asset Management and other projects budget is shown at appendix 3
- 8.2 The new capital programme for 2017/18, together with the proposed method of financing, is set out in the table below. The programme includes the third stage of the major investment programme approved by Cabinet at its October 2016 meeting.

2017/18 Capital Programme	
General Fund :	£`000
New Investment Programme (Phase 3)	520
Littlehampton Leisure Centre New Build	15,095
Asset Management	691
Disabled Facilities Grants	1,000
Total General Fund	17,306
Housing Revenue Account :	
Improvements (including Decent Homes)	2,222
Total Housing Revenue Account	2,222
Total programme	19,528
Financed by :	
Capital Grants (Disabled Facilities Grant)	1,000
Capital Receipts	9,100
Charge to General Fund (RCCO)	1,111
Charge to Housing Revenue Account	2,222
Total Financing	13,433
Unfinanced:	6,095
Funded from General Fund Earmarked Reserves	2,805
Unfunded	3,290

- 8.3 The most significant scheme for 2017/18 is the new Littlehampton Leisure Centre. The capital element of the scheme will be financed from a variety of sources including Capital Receipts, Capital Grants, Prudential Borrowing and Revenue Finance. The budget for 2017/18 includes a £2.0m contribution to fund the revenue expenditure associated with the scheme (4.4 above). The Council has applied for a capital grant from the Sports Council towards the project but as this source of funding is uncertain it has not been included in the budget for 2017/18. If the Council is unsuccessful in its bid for the capital grant it will have to finance the balance of £3.290m (based on the current estimated cost). The actual financing will be determined by the nature of the expenditure incurred (capital or revenue) and the availability of the various funding sources. The Council has committed itself to closing the funding gap through the use of any one-off income/savings with the remainder financed through prudential borrowing. The council's policy is to minimise the borrowing as it impacts on the revenue account and the Vision 2020 savings already made.
- 8.4 The enhanced new investment programme for 2017/18 includes a contribution to the Community Flood Fund, which has been included in the Contingency and Special Items budget (4.11 above) to be vired to service when further detail is known. The table below shows the budgets for 2017/18. The budgets for 2018/19 and 2019/20 are also included, however, it should be noted that these budgets will be subject to annual appraisal and approval.

2017/18 New Investment Programme			
	£'000	£'000	£'000
	2017/18	2018/19	2019/20
Beach Huts	120		
Public Toilets (phase 3 to 5)	200	200	200
Play Area Investment (phase 3 to 5)	100	100	100
RSL Housing Programme (phase 4 to 5)	100	100	
Littlehampton Leisure Centre (Balance)	15,095		
Community Flood Fund (phase 2 to 3)*	250	250	
Future Schemes			700
Total	15,865	650	1,000

* In contingency for 2017/18

9.0 Conclusion

9.1 The General Fund revenue budget and Capital budgets are set robustly within the medium term financial strategy.

10.0 Recommendations:

10.1 Cabinet is requested to note that the Head of Finance and Property, in consultation with the Deputy Leader of the Council and Cabinet member for Corporate Governance, has approved a Council Tax base of 59,456 for 2017/18.

10.2 Cabinet is requested to recommend to Full Council that:

- viii. The General Fund Revenue budget as set out in **Appendix 1** is approved.
- ix. Arun's band D council tax for 2017/18 is set at £171.27, an increase of 2.98%.
- x. Arun's Council Tax Requirement for 2017/18, based on a Band D Council Tax of £171.27, is set at £10,183,029 plus parish precepts as demanded, to be transferred to the General Fund in accordance with statutory requirements.
- xi. The HRA budget as set out in **Appendix 2** is approved.
- xii. The HRA rents for 2017/18 are set at 1% below the current year's level in accordance with the provisions of the Welfare Reform and Work Bill.
- xiii. HRA garage rents are increased by 5% to give a standard charge of £10.63 per week (excluding VAT), and heating and water/sewerage charges increased on a scheme by scheme basis, with a view to balancing costs with income.
- xiv. The Capital budget as set out in **Appendix 3** is approved.

General Fund Revenue Budget Summary			Appendix 1
Actual 2015-16 £'000	Description	Budget 2016-17 £'000	Budget 2017-18 £'000
	Cost of Service		
721	Community Services	778	620
1,571	Corporate Governance	2,074	1,931
353	Council Strategy	445	429
1,829	Environmental Services	1,831	1,865
938	Housing	1,001	1,068
5,490	Leisure and Amenities	3,997	3,051
1,197	Planning & Infrastructure	1,229	1,080
8,252	Support Services	8,423	8,334
0	Vacancy Management	(450)	(450)
(1,196)	Recharges to Housing Revenue Account	(1,136)	(1,287)
19,155	Total Cost of Service:	18,192	16,641
	Corporate Cost		
3,589	Parish Precepts	3,783	3,900
287	Grant payments to parishes	144	0
253	Other precepts and levies	210	168
(589)	Interest & investment income	(470)	(472)
13	Contingencies / miscellaneous	1,264	905
1,719	Contribution to/(from) earmarked reserves	(2,208)	892
246	Capital expenditure finance from revenue	1,870	1,111
1,321	Pension deficit contributions	1,189	1,555
6,839	Total Corporate Cost:	5,782	8,059
25,994	Total Net Budget Requirement	23,974	24,700
	Financed By		
(4,041)	Retained Business Rates	(3,183)	(5,048)
(2,716)	Revenue Support Grant	(1,666)	(750)
(3,088)	New Homes Bonus	(4,014)	(3,677)
(1,466)	Other non ringfenced grants	(855)	(956)
(9,160)	Council Tax Income - Arun Excluding Parishes	(9,614)	(10,183)
(3,589)	Council Tax Income - Town & Parish Councils	(3,783)	(3,900)
(60)	Collection Fund deficit/(surplus)	(140)	(172)
(24,120)	Total External Finance:	(23,255)	(24,686)
1,874	Transfer (to) / from General Fund Reserve	719	14

Appendix 2

Housing Revenue Account Budget Summary

Actual 2015-16 £'000	Description	Budget 2016-17 £'000	Budget 2017-18 £'000
Expenditure			
4,468	Supervision and management	4,991	4,971
3,789	Repairs and maintenance	4,434	4,567
2,096	Financing of capital expenditure	2,255	2,222
5,250	Net loan charges	5,250	5,140
15,603	Total Expenditure:	16,930	16,900
Income			
(16,362)	Rents (dwellings, garages, hostels, other property)	(16,092)	(15,859)
(729)	Charges for services and facilities	(631)	(650)
(74)	Interest on balance	(92)	(60)
(17,165)	Total Income:	(16,815)	(16,569)
(1,562)	HRA (surplus) / deficit	115	331
(6,378)	Balance brought forward	(5,478)	(6,431)
(7,940)	Balance carried forward	(5,363)	(6,100)

Appendix 3

Capital, Asset Management and other projects Budget Summary

Actual 2015-16 £'000	Description	Budget 2016-17 £'000	Budget 2017-18 £'000
Capital expenditure by portfolio			
	Corporate Governance		
1,354	Asset Management	1,450	1,011
781	IT	170	0
394	Council Strategy	0	0
590	Environmental Services	100	100
2,908	Housing	3,055	3,222
18	Leisure & Amenities	1,913	15,095
148	Planning & Infrastructure	100	100
6,193	Total Expenditure:	6,788	19,528
Summary			
3,844	General Fund	4,533	17,306
2,349	Housing Revenue Account	2,255	2,222
6,193	Total Expenditure	6,788	19,528

