

Agenda Item No: 8
Report To: Cabinet
Date of Meeting: 8 December 2016
Report Title: Draft Budget 2017/18
Report Author & Job Title: Maria Seddon – Accountancy Manager
Ben Lockwood – Head of Finance
Portfolio Holder Cllr. Neil Shorter
Portfolio Holder for: Finance & Budget, Resource Management and Procurement



Summary:

This paper presents the draft budget for 2017/18 for the General Fund and the Housing Revenue Account.

The MTFP was presented at the October Cabinet meeting at which time approval to accept the four year funding settlement and are included in the draft budget.

The Autumn statement was presented to Parliament on 23 November 2016; as expected the statement showed lower levels of growth and higher levels of borrowing and inflation. It included announcements to support growth in housing numbers and the investment in key infrastructure projects. The announcement included a further rural business rate relief which is explained in the business rate section.

The draft budget outlined in this report will form the basis of budget scrutiny and budget consultation processes. Overall the General Fund draft budget has a variance deficit of £31,000 against the Medium Term Financial Plan to be funded from general fund reserves.

The report also includes the draft Housing Revenue Account budget which incorporates the Housing review proposals and the 30 year business plan assumptions, both reports are elsewhere on the agenda.

Key Decision: YES

Significantly Affected Wards:

Recommendations: **The Cabinet is recommended to:-**

- I. Note the budget context (Section 1 Context)
- II. Approve the draft budget for 2017/18.
- III. Approve the draft Housing Revenue Account budget

for 2017/18 (Section 3 Housing Revenue Account).

- IV. Agree that this report will be used as the basis for budget consultation with the public, the business community, parish councils and staff.
- V. Agree the draft budget as set out in the report should now be submitted to the Overview and Scrutiny Committee's Budget Task Group for formal scrutiny.

Policy Overview: The council's revenue budget is intended to support the priorities set out within the Business Plan and flows through from the Medium Term Financial Plan (MTFP).

The Business Plan is geared to ensuring that priorities are delivered and that the council's service activities are managed within the constraints of the forecast cuts in government funding.

Financial Implications: The council has a requirement to produce a MTFP and a balanced budget. This report contains the four year settlement levels of government funding.

The HRA budget has been prepared on the basis of the 30 year business plan and the HRA review, reports that are also on this agenda. The plans for maintaining investment in housing stock are affordable within the current resource forecasts.

Equalities Impact Assessment No not at this stage, however an assessment will be included in the February report.

Other Material Implications: Consultation will be undertaken with the Joint Consultative Committee and business community, with findings reported back in February.

Exempt from Publication: **NO**

Background Papers: **The Corporate Plan including the MTFP – October 2016 Cabinet**

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Report Title: Draft Budget 2017/18

Introduction and Background

1. This report sets the scene for the Cabinet to consider its draft budget for 2017/18. The report explains the important background and contextual information to the medium term financial plan (MTFP) and next year's budget.
2. The Council agreed the corporate plan covering the period 2015-20 outlining the four proposed priorities for the Council during 2015/16. The underpinning Medium Term Financial Plan has also been approved (Cabinet October 2016) and is in line with the Council's business plan. This draft budget has been built based on the MTPF and reflects the corporate plan priorities.
3. The corporate plan sets the broad context for financial planning over the short and medium term.
4. The MTFP, reported to the October Cabinet meeting included a recommendation to accept the four year provisional settlement and the forecasts have been built into this draft budget. The Department for Communities and Local Government have now written to the Council confirming that this application for the current year settlement has been accepted.
5. The detailed budget for 2017/18 has now been drafted which is broadly in line with the targets established within the MTFP. The budget is based upon a 2.67% (£4 for a Band D) increase in Council Tax which will see still the Council maintaining its position as the lowest in Kent.
6. The report includes the draft budget for the Housing Revenue Account (Section 3 Housing Revenue Account) that is in line with the HRA business plan that was reported to members in November.
7. The forecast for the Council's capital reserves (Section 4 - Capital Resources) is included and shows that these resources remain scarce, as a consequence borrowing will need to be used to fund the majority of capital investments which carries a higher revenue budget cost.
8. This report seeks Cabinets approval to the draft budget that will then form the basis of the budget scrutiny and consultation processes with the final budget due to be reported to the February Cabinet for approval and recommendation to Full Council.

Structure of the report

9. For ease of consideration this report is split into sections;
 - i. Context
 - ii. draft budget
 - iii. Housing Revenue Account
 - iv. Capital resource forecast and capital programme implications
 - v. Next steps

Section 1 Context

10. In October 2015 the council agreed the Corporate Plan that contained the key themes as areas of important focus over the period 2015 - 2020. These are:
 - a. Enterprising Ashford
 - b. Living Ashford
 - c. Active and Creative Ashford
 - d. Attractive Ashford
11. Since then the Council has developed a Programme Management Plan with a number of priority projects many of which are underway or nearing completion such as Ashford International College, commercial quarter and the Elwick Place development, including a multiscreen cinema, hotel and restaurants.
12. This budget and medium term financial plan has been set to enable key priorities to be the focus over the next five years.

The Autumn Budget Statement

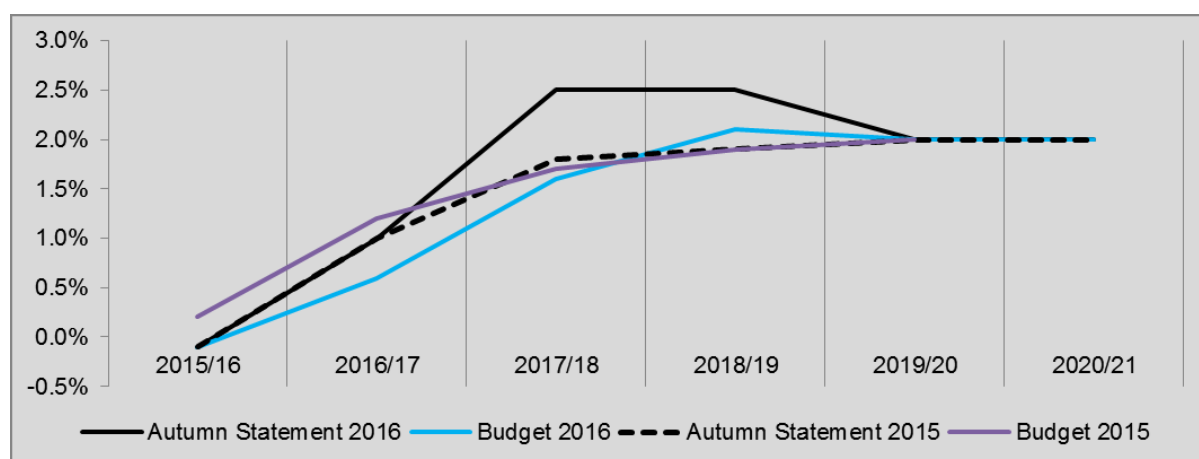
13. The national context for this budget is complicated by the outcome of the EU referendum and the uncertainty over the timing and shape of any BREXIT arrangement forming and perhaps becoming the biggest risk to the national and European economies.
14. In the forecasts supporting the Autumn Statement the Office of Budget Responsibility said the referendum result meant potential growth in the current Parliament would be 2.4% lower than forecast in March. Government finances are forecast to be £122bn worse off than in the spring. The Chancellor has built in additional borrowing that is now expected to be required over the remainder of this parliament however the Chancellor stated that the government is committed to the overall plans for departmental resource spending until 2019/20, which were set out at Spending Review 2015. Departmental resource spending will grow with inflation in 2020/21 and 2021/22.
15. The Chancellor announced a new draft Charter for Budget Responsibility, with three fiscal rules:
 - Borrowing should be below 2% by the end of this Parliament;
 - Public sector net debt as a share of GDP must be falling by the end of this Parliament;
 - Welfare spending must be within a cap, set by the government at as 2016 and monitored by the Office for Budget Responsibility (OBR).
16. The Chancellor announced additional investment in the productive capacity of the UK economy; the National Productivity Investment Fund (NPIF) will provide £23 billion of spending between 2017/18 and 2021/22. This fund aims to:
 - Accelerate new housing supply this will include a Housing Infrastructure Fund of £2.3bn by 2020-21, to be allocated to local government on a competitive basis. It is intended that this will deliver up to 100,000 new homes
 - Tackle congestion on the roads;
 - Support the market to roll out full-fibre connections and future 5G communications;
 - Enhance the UK's position as a world leader in science and innovation

17. The government will increase the National Living Wage (NLW) by 4.2% from £7.20 to £7.50 from April 2017, and no further changes to welfare benefits are proposed.

The Economy

18. In October the Medium Term Financial Plan report included a commentary on the state of the national and international economies. The UK inflation rate registered a surprise fall in October, although there were signs that the pressure on consumer prices is starting to build. Consumer Prices Index (CPI) inflation fell to 0.9%, from 1% in September, the Office for National Statistics said. That was below the 1.1% predicted by economists, who said sterling's fall would push October's CPI higher. However, the ONS said factory gate prices and the costs of raw materials rose much faster in October. The price of goods leaving factories rose by 2.1%, suggesting that inflationary pressures are building in the economy as a result of the weakening of sterling. The Bank of England forecast that inflation would rise to about 2.7% by this time next year. The Retail Prices Index (RPI) - a separate measure of inflation, which includes housing costs - was 2% in October, unchanged from September.
19. More recently data shows that retail sales grew at the fastest annual pace in 14 years in October. Total sales volumes jumped 1.9pc in October compared with September, driven by clothing and footwear sales. Official figures this week showing unemployment fell to an 11-year low in the first full quarter after June's referendum result.
20. In the autumn Statement the forecasts suggest that there will be a marked increase in the level of inflation that will potentially create an additional pressure in the medium term financial plan. However the increase in inflation may also see some income streams that are linked to inflation to also grow to help offset the pressure.

CPI inflation forecasts



The Medium Term Financial Plan

21. The Medium Term Financial Plan was reported to Members in October. This report highlighted that the budget gap is manageable for the first 2 years of the plan and then there is a surplus generated by the income derived from the Elwick road scheme. The increasing gap in the latter years that will need to be managed is primarily driven by a return of inflation.

Table 1: MTFP 2017-2022 (excluding HRA)

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000's	£'000's	£'000's	£'000's	£'000's
Revenue Support Grant	(615)	(213)	0	0	0
S31 Grant NNDR reliefs	(826)	(829)	(838)	(837)	(837)
Retained Business Rates	(3,744)	(4,407)	(5,189)	(6,029)	(6,121)
New Homes Bonus (50% allocated to support base budget)	(3,176)	(2,187)	(2,390)	(2,618)	(2,866)
Total Government Funding	(8,361)	(7,636)	(8,417)	(9,484)	(9,824)
Council Tax	(6,801)	(7,036)	(7,267)	(7,524)	(7,825)
Total Income Receipts (Including Specific Grants)	(48,278)	(48,222)	(48,189)	(47,786)	(47,594)
Base Budget Gross Expenditure	63,637	63,495	63,091	62,198	63,304
Budget Increases	(126)	(104)	(893)	1,106	1,581
Budget Reduction Strategy	(41)	0	0	0	0
BUDGET GAP	30	497	(1,675)	(1,490)	(358)
Quantified proposals including income generation					
Elwick interest	(100)	(300)			
Grounds Maintenance	125				
Allocation to/from reserves			750	750	750
	55	197	(925)	(740)	392

22. Managing the gap will need to be handled carefully. The Corporate Plan is focused on the delivery of business and housing growth as well as income generation by commercial activities; these items are important planks to the delivery of the financial strategy. Therefore whilst cost management is going to be an important focus, this must not be at the cost of delivery of these priorities.

Local Government Funding

23. The Cabinet made the decision to accept the Governments four year settlement and these funding levels have been built into the MTFP and the draft budget build.

Council Tax Support scheme

24. The Council Tax Support scheme has been reviewed and updated for 2017/18 and the report proposing changes is elsewhere on the agenda, and is summarised as follows:
- Full protection to pensioner claimants has been retained
 - Increase the contribution rate for working age claimants from 10% to 17.5%
 - 95% protection will continue to eligible disabled claimants
 - Introduction of an exceptional hardship scheme

25. These changes will have the effect of reducing the overall cost of the scheme and these estimates have been used to calculation Council Tax Support costs based on implementation in 2017/18.

Local Retention of Business Rates

26. Under the current scheme government retain 50% of business rates with 40% being retained by the district council and the remaining 10% being allocated to the county council and fire authorities. Local authorities then either pay tariffs (ABC's is circa £16m out of £20m retained) or top-ups in a system to equalise

resources between authorities. Finally a levy is paid on growth over a baseline figure (ABC's levy rate is 50%) and a government safety net is offered to authorities who's income falls by 7.5% below the baseline.

27. The Council is part of the Kent Business Rates Pool, along with 11 other Authorities including Kent County Council, which helps to reduce the levy paid on business rates growth but also reduces reliance on Government should business rates drop, the pool members would help to fund the safety net payment that would have been made.
28. Gains are shared between the districts and county council and used to set up an economic development fund with 10% ring-fenced to cover safety net risks. The Council achieved a gain of around £245,000 for the financial year 2015/16 performance which can be utilised this year and is built into the budget for 2017/18.
29. The Government has consulted on 100% retention of Business Rates which was reported to Cabinet in October as part of the MTFP report. There has been no further consultation however this will not affect the 2017/18 budget.
30. The chancellor announced rural rate relief to be increased from 50% to 100% from April 2017, saving a qualifying business up to £2,900 a year. This will affect the retained business rates of the Council however the Government does have a mechanism to compensate the Council for these losses of income through Section 31 in way of a grant.

New Homes Bonus

31. New homes bonus is measured on the number of properties that have been completed for a year October to September using data submitted on the council tax base return to government. This return has been completed showing 984 new properties and 10 conversions of long term empty properties, giving a total of 994 for new homes bonus, this equates to circa £1,078,850 potential payment from next April. This is more than the number estimated in the MTFP which was 766 properties, circa £831,000.

Local Government Pension Scheme 2016 valuation

32. The Triennial Revaluation of the scheme has been completed by the schemes Actuary. The results are positive with the overall level of funding for the Council's share of the scheme increasing from 74% to 80%. Overall the Actuary has suggested that the total level of contribution made by the Council into the scheme will remain the same for 2017/18 as the current year although the balance between future service contribution and backfunding has changed.
33. The future service contribution rate is the employer's calculated annual cost of funding the future benefits accruing over the coming year by the current active members. This rate is sensitive to the active membership profile of each employer as well as the assumptions used to calculate the rate, such as the investment return achieved on the fund.
34. The Council's Fund rate will increase compared to the rates certified following the 2013 triennial valuation. Membership profiles have tended to stay stable in terms of average ages over the period and so the increase is mainly attributable to the decrease in the discount rate. By adopting a lower discount rate assumption, we are assuming that we will not achieve the same level of investment returns assumed in 2013 and so will require more money now to pay the future benefits accruing as essentially the fund cannot rely as much

on investment returns in the future to fund the benefits. Accordingly the future service rate will increase from 13.4% to 14.4%.

35. As the Council has a past service deficit i.e. less than 100% funded so are likely to notice an improvement in the individual funding position and as a result, a reduction in the amount of contributions required to fund the shortfall. This is as a result of better than assumed experience in several areas over the intervaluation period including; better than assumed investment returns, lower than assumed pension increases, lower than assumed salary increases and more deaths than assumed. This and the deficit contributions paid have improved the funding position. The actuary has reduced the deficit recovery period from 20 years to 17 suggesting a significant improvement in the funds position.

Council Tax and Local Referendums on Council Tax

36. The draft budget includes a Council Tax increase of £4 which equates to a rise of 2.67% resulting in a Band D equivalent charge of £154; this is a reduction to last year's increase which was £4.55.
37. The current administration has a commitment to remain the lowest council tax in Kent. For 2016/17 the Kent districts council taxes were:

District	Band D charge
Ashford	£150.00
Canterbury	£194.31
Dartford	£162.90
Dover	£172.44
Gravesham	£186.66
Maidstone	£240.66
Sevenoaks	£197.82
Shepway	£232.56
Swale	£159.93
Thanet	£214.92
Tonbridge & Malling	£192.51
Tunbridge Wells	£163.61

38. This means that should the other Kent districts decide to freeze council tax Ashford will remain the lowest in Kent by £5.93.
39. The Localism Act replaced the Secretary of State's powers to cap council tax increases with a requirement for councils, who are minded to agree 'excessive increases' in council tax, to hold a local referendum, with the result determined by a simple majority.
40. The level of increase that triggers a referendum is set by the Secretary of State and for 2017/18 that level is expected to remain at the higher of 2% or £5. The form of the question to be put in any local referendum is also determined by the Secretary of State. Should a referendum be necessary councils must have a shadow budget in place in the event that a referendum does not support the proposed council tax increase.
41. Whilst there is a long held ambition for the Council to grow its income streams from commercial activities it needs to be recognised that this strategy needs to mature before this will be achieved. Therefore with the risks to the councils funding and ambitions to improve services the increase is considered necessary, however planning to achieve a lower increase next year reducing in future years will begin as this budget cycle draws to a close.

Section 2 - Draft Budget 2017/18

42. The draft budget has been built based on the four year settlement that was accepted at the October Cabinet as part of the MTFP report. This has given a little more certainty this year.
43. The draft budget presented below includes a 2.67% increase in council tax, with the borough Council's element of the charge now being £154 (2016/17 was £150) for a band d property.
44. Services were given targets from the MTFP against which they had to build their budgets. Budgets have then been built in detail and services have largely been able to manage within the expenditure limits set. Some pressures have come out during the process but these have mainly been managed within the services.
45. The draft budget is summarised below.

Table 2: Draft General Fund Budget 2017/18

ACTUALS	ESTIMATE	PROJECTED	DETAIL	ESTIMATE
2015/16	2016/17	OUTTURN		2017/18
£	£	2016/17		£
£	£	£		£
11,188,325	14,205,480	13,534,650	Service Expenditure	13,676,870
3,632,510	1,316,670	1,991,670	Contribution to/(from) Balances	1,199,540
(2,114,651)	(1,269,920)	(1,269,920)	Government Grant	(615,360)
(2,281,862)	(3,410,410)	(3,410,410)	Retained Business Rates	(3,060,750)
(933,921)	(538,000)	(538,000)	Business Rates S31 Grants	(825,500)
(3,150,387)	(3,782,820)	(3,782,820)	New Homes Bonus	(3,424,310)
41,280	41,500	41,500	Parish CTS Payment	40,900
(6,352,539)	(6,562,500)	(6,562,500)	Council Tax	(6,901,770)
28,754	0	4,170	Budget Gap	89,620

46. The details of service expenditure are attached at Appendix A. Subject to Cabinet's approval this budget will then be scrutinised and form the basis of the budget consultation process that will be completed in time for a final draft budget to be presented to Cabinet in February.
47. The Councils Medium Term Financial Plan is predicated on the aim to become entrepreneurial and enterprising to raise revenues, however the need for continued economy and efficiency is ever present to ensure value for money for services. Accordingly, included within the budget is a new 1% efficiency target with an aim to reduce costs by 1% per annum for a period of 5 years. This will be achieved through a combination of service reviews and thematic reviews on council expenditure, to challenge the way services are delivered and procured and achieve savings.

Section 3 Housing Revenue Account

HRA Business Plan

48. The HRA business plan including proposed savings from the recent Housing review will be presented to this Cabinet for approval elsewhere on this agenda. This draft budget has been created from this plan.
49. It is proposed that the HRA business plan should be scrutinised alongside the general fund draft budget as part of the budget scrutiny process.

Draft HRA Budget 2016/17

50. The HRA Budget has been built to enable the council to: maintain Decent Homes Standards, service the debt as a result of the HRA subsidy reform, and the 1% rent reduction announced earlier this year.

Table 3 – Draft Housing Revenue Account Budget 2017/18

ACTUALS	ESTIMATE	PROJECTED	DETAIL	ESTIMATE
2015/16	2016/17	OUTTURN		2017/18
£	£	2016/17		£
£	£	£		£
(25,187,114)	(24,227,210)	(25,001,610)	Income	(25,463,220)
7,264,654	5,183,570	5,163,140	Supervision and Management	5,101,750
3,273,922	3,449,760	3,262,440	Repairs	3,328,470
14,648,538	18,763,270	18,373,980	Other Expenditure	21,923,480
0	3,169,390	1,797,950	DEFICIT/ (SURPLUS) IN YEAR	4,890,480

51. These figures are in line with the position forecast within the HRA business plan, with a deficit anticipated. This deficit includes an amount of £3.3m to set aside to repay debt, so will result in an increase in reserves.
52. Members are asked to approve the draft HRA budget for 2017/18 for scrutiny purposes.

Section 4 - Capital Resources

53. The Council prepares a capital programme annually based on the Corporate Priorities and approves capital projects throughout the year. Financing of these projects are included in the Project Initiation Documents however final financing will be approved at the end of the year.
54. Due to the nature of some reserves it is best to utilise these first and retain flexibility for the Council, for example, capital receipts can only be used on capital purposes therefore it is better to use these reserves first and keep revenue reserves, which can be used for any purpose.
55. The Housing Revenue Account has two kinds of capital receipts, general capital receipts that can be used for any capital purpose, and one-for-one receipts that can only be used for the provision of new affordable housing. To ensure the Council has enough flexibility in its capital financing and complies with the one-for-one commitment to government, these latter receipts will always be used first before capital receipts and revenue reserves.

Capital Resources Forecast

56. Capital investment is currently made from the following funding streams:
 - a. Internal resources such as capital receipts and revenue reserves.
 - b. Prudential (external) borrowing. The Medium Term Financial Plan provides specific support to borrow for General Fund corporate projects that have been highlighted in the corporate plan. There is also specific borrowing for capital works on Council assets support by the planned maintenance schedule for capital works.
 - c. Third party grants and contributions from government, other authorities and other grant bodies.
 - d. Section 106 developer contributions – as at 31 March 2016 contributions amounting to £7m (capital & revenue) were held in reserves.
57. The table below shows the forecast based on current assumptions including that supported by revenue resources to support spending of a capital nature.

Table 4 – Capital resource forecast (General Fund)

Resources available	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Resources brought forward:				
Capital receipts	10	0	0	0
Repairs and renewals reserve	650	560	470	380
Borrowing limit unapplied	500	478	575	583
	1,160	1,038	1,045	963
Potential resources				
Estimate of capital receipts	250	250	250	250
Estimate of reserve contributions to the repairs & renewal reserve	260	260	260	260
Approved borrowing limit supported by the revenue budget	500	500	500	500
Total potential resources	1,010	1,010	1,010	1,010
Current planned outlay financed by:				
Use of capital receipts	260	250	250	250
Use of the repairs & renewal reserve	350	350	350	350
Use of prudential borrowing (principally for the asset maintenance programme)	522	403	492	500
Total outlay	1,132	1,003	1,092	1,100
Uncommitted resources carried forward	1,038	1,045	963	873

Capital Investment to Generate Income*Elwick Place Development*

58. Following the purchase of the freehold land at Elwick Place in 2015/16, the Council is about to enter into an agreement with Stanhope Ltd to construct a cinema, hotel, car park and eateries on the site. This represents a substantial investment by the Council and reinforces the Council's commitment to regeneration of this area. The construction phase is expected to start in early January 2017 and will last for a period of approximately 18 months. Once completed this investment is expected to generate rental income for the Council.

Ellingham Industrial Estate

59. In late 2015/16 the Council completed the construction of 3 new medium sized units at the Ellingham Road industrial estate. The units are now fully occupied and are generating an additional income of £20,000 per annum for the Council.

Park Mall

60. Following the first year of owning Park Mall shopping complex, the Council has been successful in halting the decline of the complex. The stabilisation strategy has been successful and the Council has retained its existing tenants, renewing many leases for a further 3 years. Additionally it has attracted new incubator and start up businesses to the centre. The Council has therefore set a small income target of £15,000 for 2016/17, recognising the importance of contributions from all of its investments.

Section 5 - Next Steps

61. Once approved by Cabinet it is proposed to submit the draft budget for formal scrutiny by the Overview and Scrutiny Committee and its Budget Scrutiny Task Group. This will include an examination of the base budget, assumptions on inflation, growth items and budget reduction proposals. The scrutiny process will continue throughout December and January with conclusions reported to the Cabinet in February.
62. The final budget report will be presented to Cabinet in February which will include any additional proposals for the budget and recommend to Cabinet the measures necessary to bridge any remaining budget gap. If there is a need to report any financial issues arising from the Comprehensive Spending Review to Cabinet in January.

Implications and Risk Assessment

63. Risk assessments are being completed by Services and will form part of the Scrutiny process and reported back to Council with any recommendations from the Budget Scrutiny Task Group.

Equalities Impact Assessment

64. The assessment will be completed alongside the final budget reported to Cabinet in February.

Consultation Planned or Undertaken

65. This report will form the basis of consultation with the business community, the public and parish councils. A summary document will be produced and sent to key stakeholders and posted on the website for comment.
66. The results from this consultation will help inform the final budget and will be reported back to the February Cabinet.

Conclusion

67. Members are asked to consider the contextual information against which the MTFP and draft budget have been developed.
68. To approve the draft budget for 2017/18 for the purpose of public consultation, consultation with the parish councils, and for the basis of budget scrutiny by the Overview and Scrutiny Committee.

Portfolio Holder's Views

69. To be given at the meeting

Contact and Email

70. Maria Seddon – 01233 330547

DRAFT REVENUE BUDGET				
SUMMARY				
Actuals 2015/16 £	Budget 2016/17 £	Projected Outturn 2016/17 £	Detail	Estimate 2017/18 £
1,257,747	1,270,720	1,360,180	Corporate & Strategy	1,375,250
1,237,036	1,380,320	1,449,310	Legal & Democratic	1,361,440
2,128,990	1,983,050	1,886,620	Planning & Development	1,937,930
845,169	2,554,620	2,538,580	Financial Services	2,643,320
181,637	291,010	351,990	HR, Communications and Technology	433,210
769,142	915,720	823,770	Housing Services	654,790
393,553	838,400	671,340	Health, Parking & Community Safety	516,490
4,714,705	4,963,150	4,736,900	Environment and Customer Services	4,909,440
(1,375,820)	(1,500,070)	(1,336,680)	Corporate Property & Projects	(1,399,390)
3,095,743	2,713,130	2,839,460	Cultural Services	2,972,040
13,247,902	15,410,050	15,321,470	Service Expenditure	15,404,520
(2,340,864)	(1,475,830)	(2,058,080)	Capital Charges & Net Interest	(2,007,910)
40,190	30,260	30,260	Concurrent Functions Grant	30,260
241,098	241,000	241,000	Levies	250,000
3,632,510	1,316,670	1,991,670	Contribution to Balances	1,199,540
14,820,835	15,522,150	15,526,320	ABC Budget Requirement	14,876,410
			Income	
(2,114,651)	(1,269,920)	(1,269,920)	Government Grant	(615,360)
(2,281,862)	(3,410,410)	(3,410,410)	Retained Business Rates	(3,060,750)
(933,921)	(538,000)	(538,000)	Business Rates S31 Grants	(825,500)
(3,150,387)	(3,782,820)	(3,782,820)	New Homes Bonus	(3,424,310)
41,280	41,500	41,500	Parish CTS Payment	40,900
(6,352,539)	(6,562,500)	(6,562,500)	Council Tax	(6,901,770)
28,755	0	4,170	Budget Gap	89,620

GENERAL FUND SUMMARY 2017/18 DRAFT BUDGET				
Actuals 2015/16 £	Budget 2016/17 £	Projected Outturn 2016/17 £	Detail	Estimate 2017/18 £
			Corporate & Strategy	
761,243	834,450	886,130	Corporate Allocable Costs	681,390
360,917	274,970	250,280	Corporate Management	483,460
(17,803)	0	0	Chilmington	0
153,390	161,300	223,770	Policy and Performance	210,400
1,257,747	1,270,720	1,360,180		1,375,250
			Legal & Democratic	
823,136	903,220	849,890	Democratic Representation	876,850
331,102	422,920	448,640	Electoral Services	435,320
26,889	4,850	101,450	Legal	0
55,908	49,330	49,330	Mayor	49,270
1,237,036	1,380,320	1,449,310		1,361,440
			Planning & Development	
182,099	144,580	151,530	Building Control	110,240
1,065,824	906,920	945,910	Development Control	898,330
405,973	392,000	295,450	Economic Development	291,840
(39,680)	(8,620)	(2,690)	Land Charges	(5,750)
(71)	0	(55,240)	Planning Administration	(10)
514,845	548,170	551,660	Strategic Planning	643,280
2,128,990	1,983,050	1,886,620		1,937,930
			Financial Services	
1,888	2,050	2,050	Accountancy	0
(5,079)	40	2,180	Audit Partnership	50
778,754	823,710	805,120	Benefits Administration	766,220
256,369	442,070	422,180	Council Tax Collection	457,150
993	(1,130)	7,170	Debtors/Debt Recovery	(1,030)
77,296	71,250	71,250	Exchequer	46,190
(1,859,481)	(256,000)	(256,000)	Housing Benefits Payments	(256,000)
63,311	0	0	Miscellaneous Expenditure	0
(89,788)	(82,120)	(70,120)	NNDR Collection	(65,230)
1,620,907	1,554,750	1,554,750	Non-Distributed Costs	1,695,970
845,169	2,554,620	2,538,580		2,643,320
			HR, Communications and Technology	
230,139	279,260	279,260	Communications & Marketing	336,100
0	(10)	(10)	Telephony	40
(45,911)	(81,360)	(15,210)	ICT	7,070
(2,591)	93,120	87,950	Personnel & Development	90,000
181,637	291,010	351,990		433,210

GENERAL FUND SUMMARY 2017/18 DRAFT BUDGET				
Actuals 2015/16 £	Budget 2016/17 £	Projected Outturn 2016/17 £	Detail	Estimate 2017/18 £
			Housing Services	
79,928	51,620	99,080	Private Sector Housing	26,010
128,289	145,770	64,370	Housing Strategy and Enabling	53,220
582,562	721,460	691,460	Housing Options	644,390
(8,370)	10	(8,070)	Facilities Management	(66,020)
(13,267)	(3,140)	(23,070)	Gypsy Site - Chilmington	(2,810)
769,142	915,720	823,770		654,790
			Health, Parking & Community Safety	
474,110	525,020	553,560	Community Safety,AMC,Licencing	496,720
652,265	669,590	629,460	Environmental Health	659,710
(732,822)	(356,210)	(511,680)	Parking & Engineering	(639,940)
393,553	838,400	671,340		516,490
			Environment and Customer Services	
3,428	(20)	(20)	Visitor & Call Centre	10
678,574	784,030	755,820	Street Scene	568,800
2,788,238	3,006,470	2,846,680	Refuse,Recycling,Street Clean	3,010,760
1,244,465	1,172,670	1,134,420	Grounds Maintenance	1,329,870
4,714,705	4,963,150	4,736,900		4,909,440
			Corporate Property & Projects	
13,394	41,560	41,560	Project Delivery Team	37,920
30,439	12,000	101,050	Town Centre Development	144,430
(1,419,653)	(1,553,630)	(1,479,290)	Corporate Property	(1,581,740)
(1,375,820)	(1,500,070)	(1,336,680)		(1,399,390)
			Cultural Services	
351,400	219,070	300,200	Cultural Services Management	239,050
1,675,424	1,343,460	1,434,240	Leisure Centres	1,539,240
160,988	161,590	169,090	Open Spaces and Conservation	267,380
309,161	418,860	368,860	Single Grants Gateway	318,860
221,085	146,340	146,340	Tourism & Heritage	144,180
377,685	423,810	420,730	Cultural Projects	463,330
3,095,743	2,713,130	2,839,460		2,972,040
13,247,902	15,410,050	15,321,470	NET EXPENDITURE ON SERVICES	15,404,520
			Other Items	
(2,340,864)	(1,475,830)	(2,058,080)	Capital Charges & Net Interest	(2,007,910)
40,190	30,260	30,260	Concurrent Functions	30,260
241,098	241,000	241,000	Levies & Precepts	250,000
3,632,509	1,316,670	1,991,670	Contributions to/from Reserves	1,199,540
14,820,834	15,522,150	15,526,320		14,876,410