

MAIN INTRODUCTION

Introductory Comments from the Head of Corporate Improvement & Finance

The 2017/18 budget setting process for all of the activities which the Council provides has again been a difficult and challenging exercise with the age old problem of trying to balance demand for services with the resources available to provide them. Achieving this balance and ensuring that best use is made of resources in overall terms are just two of the reasons why so much time is devoted to the Council's budget setting process. The budget preparation exercises on both revenue and capital activities take up a substantial amount of time over the May to February period but culminate ultimately in what the elected members and officers of the Council believe to be the optimal budget package for the people of Angus.

The Budget Guide

This Booklet is intended as a reference document for Elected Members, Council Officers, Council Tax Payers and Council House Tenants. It sets out the main features of the Council's budgetary process and gives a brief explanation of how the Council sets its Council Tax and Council House rents.

The Booklet is designed to complement the detailed figures contained in the Final Revenue Budget Volume 2017/18 (Incorporating Provisional Capital Budget 2017/18) published by the Council's Corporate Improvement & Finance service which is available on the Council's internet site.

Structure of the Budget Guide

The Budget Guide has been set out into 6 main sections as follows:

- 1 The General Fund Revenue Budget
- 2 The Housing Revenue Account Budget
- 3 The General Fund Capital Budget
- 4 The Housing Capital Budget
- 5 General Information

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May 2017

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AN INTRODUCTION TO THE FINANCES OF ANGUS COUNCIL

Introduction

The financial arrangements of Scottish local authorities comprise many different elements. Understanding these elements is important because different accounting, budgeting and control arrangements can apply to each. The sections below attempt to de-mystify the financial arrangements of Angus Council from an expenditure and income perspective.

Types of Expenditure

In the delivery of services the Council incurs what is termed revenue and capital expenditure. Revenue expenditure is the day to day running costs associated with service provision such as salaries, the cost of consumable materials, insurance costs, etc. Capital expenditure is generally on items of a more significant nature which involve the purchase or creation of an asset which will provide benefits over a number of years.

By way of example, the cost of constructing a new school would be capital expenditure whilst the cost of staffing the school, buying the books, etc. would be revenue expenditure.

Types of Income

The Council's revenue and capital expenditure is funded from a number of sources. Revenue expenditure is funded from government grants, Council Taxes, Housing Rents and fees and charges for particular services. Capital expenditure is funded from borrowing, capital grants, the proceeds of asset sales (capital receipts) and contributions from the revenue expenditure budget.

Budgeting & Accounting Arrangements

Revenue Activities

The Council's revenue expenditure and income splits into 2 distinct funds or accounts:

- 1 The General Fund Account
- 2 The Housing Revenue Account

General Fund services cover all of the Council's services (see page 6) except for Council Housing provision which comes under the Housing Revenue Account. General Fund services are funded by government grants, fees and charges for the use of services and Council Tax. Council Housing is funded almost entirely from Council House rents.

Capital Activities

The capital expenditure and income of the Council also splits into 2 areas:

- 1 General Fund Capital
- 2 Housing Capital

The General Fund Capital Budget covers the activities of all the Council's services except for Council Housing provision which comes under a separate Capital Budget for Housing. The cost of capital expenditure for both the General Fund and Housing is financed mainly through borrowing, contributions from revenue (known as Capital Financed from Current Revenue, CFCR) and from the sale of surplus assets (which generate capital receipts).

THE GENERAL FUND REVENUE BUDGET 2017/18

Introduction

The General Fund is the account where all of the Council's revenue expenditure apart from that relating to Council Housing is recorded. The General Fund therefore covers the most significant element, in value terms, of the Council's overall activities. The main services which are budgeted and accounted for through the General Fund - People, Place and Chief Executive Unit. A fuller listing of the services provided through the General Fund and the budgeted costs of each is shown on page 5.

The Budget Setting Process

At its meeting on 8 September 2016, the Council agreed to retain the Policy Based Budgeting approach for the 2017/18 budget process that was introduced for the 2016/17 budget process. The budget package for 2017/18 presented in the Provisional Revenue Budget & Budget Savings Proposal Volume (report 59/17) delivers much of the principles which elected members endorsed through the Priority Based Budgeting process. It has not however been possible to shift resources on a significant scale because of the size of the funding gap, unavoidable budget pressures which need to be addressed and the constraints around statutory duties and Scottish Government policies on teacher numbers.

As part of the 2017/18 budget strategy, Directorates submitted a package of savings proposals totalling £1.855 million in order to help bridge the projected funding gap of £10.646 million, in addition to savings to be made through Transforming Angus programme of £1.301 million. Changes in Council Tax legislation, which are covered in detail in report 61/17, will contribute estimated additional Council Tax income of £1.719 million toward the funding gap.

After detailed consideration of the Council's overall budget and reserves position, a number of corporate proposals, totalling £4.296 million (of which £2.282 million is one-off measures for 2017/18 only) were also identified in order to deliver a balanced budget for 2017/18. These proposals are detailed in report 58/17, and reflected in the Summary of Net Expenditure on page 5.

Taking all of the above proposals into account left the Council with a funding gap of £1.475 million, which the Council agreed would be met by implementing a 3% increase in Council Tax for 2017/18, as permitted by the Scottish Government in their Finance Settlement offer. This will provide the Council with increased Council Tax income estimated at £1.475 million, allowing a balanced budget to be achieved for 2017/18.

The Angus Council Band D Council Tax charge was subsequently set at a meeting of the full Council on 16 February 2017.

SOURCES OF FINANCE FOR GENERAL FUND SERVICES

Introduction

General Fund expenditure is financed from three main sources - government grants, charges for services and the Council Tax. The total level of government grant is determined by the Scottish Government and forms what is known as Total Revenue Support Grant.

Total Revenue Support Grant

Total Revenue Support Grant is the total level of General Fund income which is determined by the Scottish Government and includes Revenue Support Grant (RSG), Non-Domestic Rate Income (NDRI) and Specific Grants. Total Revenue Support Grant supports approximately 80% of Angus Council's net revenue expenditure (i.e. after deduction of fees and charges for services). Angus Council's Total Revenue Support Grant was determined at £201.227 million for the 2017/18 financial year.

Updated Service Provision

Previously referred to as Grant Aided Expenditure (GAE), Updated Service Provision is the basis used by the Scottish Government for determining the distribution of Total Revenue Support Grant.

Local Taxation

Once the total level of Revenue Support Grant has been determined by the Scottish Government the remaining amount of local authority expenditure requires to be funded from local taxation, balances, and fees and charges. In 2017/18 the Council Tax will finance approximately 20% of Angus Council's net revenue expenditure (i.e. after deduction of fees and charges for services).

Balances

Local authorities have discretion to use accumulated surpluses (balances) from previous financial years in setting their budgets. Local authorities must also budget to make good any projected deficit carrying forward from a previous financial year.

It was projected that an **uncommitted** General Fund balance of some £6.395 million would be available at the end of 2016/17. Existing Council policy is to set aside around 1.6% of the net budget as a contingency in General Fund Balances. This currently equates to circa £4.0 million.

After allowing for the current year uncommitted projected underspend, the drawdown of £2.102 million identified as part of the Corporate savings and £1.100 million earmarked for Help to Live at Home severance costs and risks this produces a combined uncommitted balance of £3.193 million currently projected on the Council's General Fund.

Directorates are allowed to request to carry forward unspent resources in their budget from one year to the next so that budgets are managed appropriately and the risk of a spend it or lose it approach can be avoided. A number of requests were received and £3.174 million have been recommended for approval and details can be found in report 48/17.

After allowing for the carry forwards this produces a nominal uncommitted balance of £0.019 million currently projected on the Council's General Fund.

Government Spending Controls

The control of local authority spending through the imposition of an Expenditure Guideline by the Scottish Government was abolished with effect from 2001/02. Angus Council's revenue budget expenditure is limited by the Total Revenue Support Grant (provided by the Scottish Government), Council Tax income and ad-hoc funding from General Fund balances.

The Revenue Budget - General Fund
ANALYSIS OF BUDGETED NET EXPENDITURE BY SERVICE

2016/17 Estimate £000	SERVICE	2017/18 Estimate £000	%	Council Tax Band D Equivalent 2017/18
	PEOPLE			
92,270	Schools & Learning	95,228	37.7	2,076.31
22,713	Children & Young People	24,045	9.5	524.27
3,600	Quality & Performance	2,923	1.2	63.73
3,747	Organisational Change	3,537	1.4	77.12
43,720	ADULT SERVICES (JJB)	43,963	17.5	958.55
	PLACE			
363	Place Directorate	310	0.1	6.76
1,071	Business Improvement & Support	834	0.3	18.18
16,201	Regulatory & Protective Services	15,764	6.3	343.71
18,199	Technical & Property Services	17,760	7.1	387.23
2,216	Planning & Place	1,776	0.7	38.72
6,266	Services to Communities	5,041	2.0	109.91
4,455	Corporate Finance	4,496	1.8	98.03
2,150	Legal & Democratic	2,000	0.8	43.61
111	Resilience	111	0.0	2.42
	CHIEF EXECUTIVE UNIT			
838	Chief Executive	787	0.3	17.16
1,029	Members' Services	1,011	0.4	22.04
1,011	Economic Development	939	0.4	20.47
3,004	Strategic Policy & Transformation	2,338	0.9	50.98
8,771	OTHER SERVICES	10,095	4.0	220.11
(1,760)	CSS/ACCESS Recharges to Non-General Fund Services	(1,024)	(0.4)	(22.33)
750	Joint Board	736	0.3	16.05
(50)	Miscellaneous Income	0	0.0	0.00
0	Surplus Local Tax Income	(200)	(0.1)	(4.36)
0	Pay Award Provision (inc TC Impact)	2,650	1.1	57.78
(173)	Transforming Angus Tier 1 Review Savings 2016/17	0	0.0	0.00
0	Apprenticeship Levy	735	0.3	16.03
14,338	Capital Financing Costs	14,036	5.6	306.04
244,840		249,891	99.2	5,448.52
	Trading Accounts			
(218)	Tayside Contracts (Net Surplus - Angus Share)	(300)	(0.1)	(6.54)
(218)		(300)	(0.1)	(6.54)
38	Add Specific Grants Netted Within Directorates Above	3,799	1.5	82.83
244,660	Adjusted Net Expenditure	253,390	100.6	5,524.81
1,975	Contributions to Special Funds	580	0.2	12.65
(1,185)	Contribution to/(from) Balances	(2,102)	(0.8)	(45.85)
245,450	TOTAL NET EXPENDITURE	251,868	100.0	5,491.61
	To be financed by:			
167,382	Revenue Support Grant	170,195	67.6	3,710.86
29,410	Non-Domestic Rate Income	27,233	10.8	593.78
38	Specific Grants	3,799	1.5	82.83
1,398	Share of £70m Grant for Council Tax Freeze	0	0.0	0.00
47,222	Council Tax Income	50,641	20.1	1,104.16
245,450		251,868	100.0	5,491.63

ANALYSIS OF BUDGETED GROSS EXPENDITURE BY CATEGORY

Budget Estimate 2016/17 £000	%	Cost Per Head of Population 2016/17 £	Expenditure	Budget Estimate 2017/18 £000	%	Cost Per Head of Population 2017/18 £
144,060	45.7	1,239.65	Employee Costs	144,001	44.0	1,239.14
19,746	6.3	169.92	Property Costs	19,416	6.0	167.08
12,653	4.0	108.88	Supplies & Services	15,828	4.9	136.20
9,715	3.1	83.60	Transport Costs	9,961	3.1	85.72
27,671	8.8	238.11	Transfer Payments	27,075	8.3	232.98
83,601	26.4	719.40	Third Party Payments	93,155	28.6	801.61
15,466	4.9	133.09	Capital Financing Costs	15,222	4.7	130.99
1,975	0.6	17.00	Contribution to Funds & Balances	580	0.2	4.99
630	0.2	5.42	CFCR	630	0.2	5.42
315,517	100.0	2,715.07	Total Gross Expenditure	325,868	100.0	2,804.13

ANALYSIS OF BUDGETED GROSS INCOME BY CATEGORY

Budget Estimate 2016/17 £000	%	Income Per Head of Population 2016/17 £	Income	Budget Estimate 2017/18 £000	%	Income Per Head of Population 2017/18 £
			Aggregate External Finance			
167,382	53.0	1,440.34	Revenue Support Grant	170,195	52.3	1,464.55
1,398	0.4	12.03	Share of £70m for Council Tax Freeze	0	0.0	0.00
29,410	9.3	253.08	Non-Domestic Rate Income	27,233	8.4	234.34
2,463	0.8	21.19	Health & Social Care Integration	0	0.0	0.00
38	0.0	0.33	Specific Grants	3,799	1.2	32.69
200,691	63.5	1,726.97		201,227	61.9	1,731.58
47,222	15.0	406.35	To Be Met From Council Tax	50,641	15.5	435.77
247,913	78.5	2,133.32		251,868	77.4	2,167.35
21,336	6.8	183.60	Fees and Charges	11,888	3.6	102.30
1,185	0.4	10.20	Contribution from Funds/Balances	2,102	0.6	18.09
13,681	4.3	117.73	Other Income (Including Recharges)	30,210	9.3	259.96
31,402	10.0	270.22	Other Grants	29,800	9.1	256.43
315,517	100.0	2,715.07	Total Gross Income	325,868	100.0	2,804.13

CALCULATION OF THE COUNCIL TAX

2016/17 * £000		2017/18 £000	£000
247,123	Net Expenditure @ Outturn Prices		253,390
	Add :		
1,975	Transfer to Special Funds	580	
(1,185)	Contributions to / (from) Balances	(2,102)	(1,522)
247,913	Total Net Expenditure		251,868
	Less :		
167,382	Revenue Support Grant	170,195	
1,398	Share of £70 Million for Council Tax Freeze	0	
2,463	Health & Social Care Integration	0	
29,410	Non-Domestic Rate Income	27,233	
38	Specific Grants	3,799	
200,691			201,227
47,222	Amount to be met from Council Tax		50,641
No.		No.	No.
	Divide by :		
	Council Tax Base - Band D		
44,949	Equivalent numbers of dwellings	46,800	
899	Less : Provision for non-collection (2%)	936	
44,050			45,864
£1,072.00	COUNCIL TAX (Band D)		£1,104.16
		Increase	£32.16

* This is the calculation of the 2017/18 Council Tax as agreed at the Council's Special Budget Setting meeting on **16 February 2017**. It does not reflect any additional resources allocated to the Council following late Government announcements.

CALCULATION OF COUNCIL TAX BASE

	2016/17	2017/18
Total Number of Dwellings	55,619	55,872
<u>Deduct :</u>		
Total Exemptions	1,767	1,753
Single Charge Payer & Other Adjustments	6,748	8,515
Revised Number of Equivalent Dwellings	47,104	47,181
Band D Equivalent Number of Dwellings (the Tax Base) (at 100% collection)	44,949	46,800

COUNCIL TAX NON-COLLECTION

For budget purposes the level of non-collection of the Council Tax for 2017/18 has been assumed at 2%. This means that each pound of the Council Tax will yield £45,864 instead of £46,800 at 100% recovery. The shortfall of £936 is equivalent to £22.08 per Band D Council Tax payer at the level of £1,104.16. This estimate for non-collection is based on collection patterns experienced by Angus Council. It is stressed, however, that every effort will be made to collect all outstanding Council Tax debt.

SUMMARY OF COUNCIL TAX & SCOTTISH WATER CHARGES 2017/18

Property Valuation Band	Fraction of Band D	Upper Limit of Value £	2017/18 Council Tax Charge Set By Angus Council £	Water Charge £	Waste-water Charge £	Total Charge Levied by Scottish Water £	Total Combined Charge 2017/18 £	Total Combined Charge 2016/17 £
A	240/360	27,000	736.11	132.84	154.20	287.04	1,023.15	997.27
B	280/360	35,000	858.79	154.98	179.90	334.88	1,193.67	1,163.48
C	320/360	45,000	981.48	177.12	205.60	382.72	1,364.20	1,329.69
D	360/360	58,000	1,104.16	199.26	231.30	430.56	1,534.72	1,495.90
E	473/360	80,000	1,450.74	243.54	282.70	526.24	1,976.98	1,828.32
F	585/360	106,000	1,794.26	287.82	334.10	621.92	2,416.18	2,160.74
G	705/360	212,000	2,162.31	332.10	385.50	717.60	2,879.91	2,493.17
H	882/360 Over	212,000	2,705.19	398.52	462.60	861.12	3,566.31	2,991.80

Note: Properties are placed in one of eight valuation bands from A to H in accordance with their values as at 1st April 1991. The upper limit of each band is shown above. Charges for each dwelling are levied in proportion to Band D using the fractions shown.

NON-DOMESTIC RATE POUNDAGE FOR 2016/17

The Unified Business Rate for 2017/18 is 46.6p

Scottish Water has a differential charging policy for customers with metered and unmetered water supplies. Further information in relation to the charging policy can be obtained directly from Scottish Water. (www.scottishwater.co.uk or telephone: 0845 601 8855)

SUMMARY OF COUNCIL TAX CHARGES

SET BY SCOTTISH COUNCILS (Lowest First)

AUTHORITY	Band D Council Tax 2016/17 £	Band D Council Tax 2017/18 £	% Increase in Band D Council Tax %
Dumfries & Galloway	1,049.00	1,080.47	3.0
North Lanarkshire	1,098.00	1,098.00	0.0
South Lanarkshire	1,101.00	1,101.00	0.0
Falkirk	1,070.00	1,102.00	3.0
Angus	1,072.00	1,104.16	3.0
Scottish Borders	1,084.00	1,116.52	3.0
West Lothian	1,128.00	1,128.00	0.0
East Lothian	1,117.62	1,151.15	3.0
Fife	1,118.00	1,151.54	3.0
East Renfrewshire	1,126.00	1,159.78	3.0
West Dunbartonshire	1,163.00	1,163.00	0.0
Renfrewshire	1,164.69	1,164.69	0.0
Moray	1,135.00	1,169.05	3.0
Aberdeenshire	1,141.00	1,169.53	2.5
East Dunbartonshire	1,141.85	1,176.11	3.0
Perth & Kinross	1,158.00	1,181.00	2.0
Clackmannanshire	1,148.00	1,182.44	3.0
North Ayrshire	1,152.00	1,186.56	3.0
South Ayrshire	1,153.95	1,188.57	3.0
Stirling	1,197.00	1,197.00	0.0
Highland	1,163.00	1,197.89	3.0
Inverclyde	1,198.00	1,198.00	0.0
City of Edinburgh	1,169.00	1,204.07	3.0
Argyll & Bute	1,178.00	1,213.34	3.0
East Ayrshire	1,188.99	1,224.66	3.0
Aberdeen City	1,230.39	1,230.39	0.0
Dundee City	1,211.00	1,241.00	2.5
Midlothian	1,210.00	1,246.00	3.0
Glasgow City	1,213.00	1,249.00	3.0
Comhairle Nan Eilean Siar (Western Isles)	1,024.00	1,054.72	3.0
Orkney	1,037.00	1,068.00	3.0
Shetland	1,053.00	1,084.59	3.0
Scottish Average	1,149.00	1,173.00	2.1

The data shown above has been sorted by 2017/18 Band D Council Tax (lowest first, excluding the Island Councils).

Source: Scottish Government Website

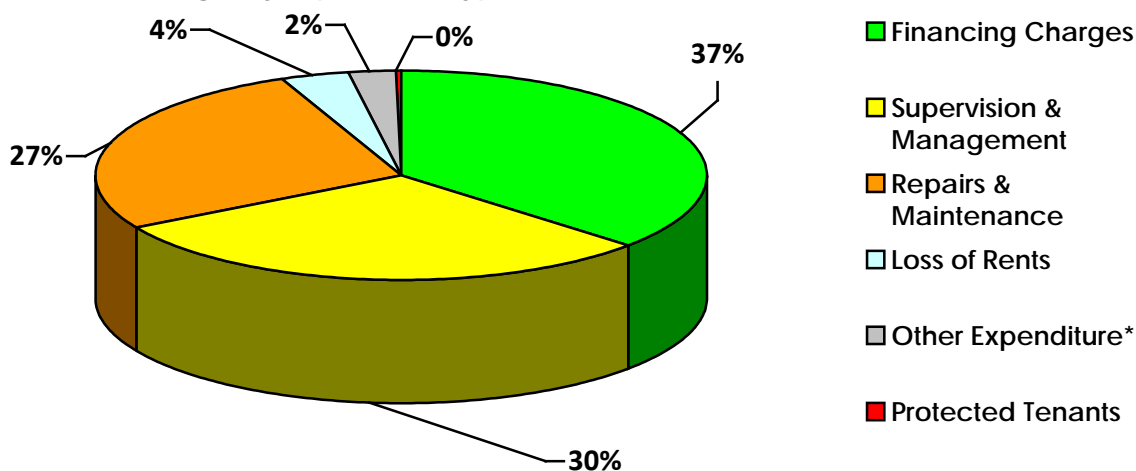
Angus Council has set the 5th lowest Council Tax charge in mainland Scotland (i.e. excluding the Island Authorities which have unique funding and spending characteristics).

HOUSING REVENUE ACCOUNT BUDGET 2017/18

The Housing Revenue Account (HRA) is a ring-fenced account regulated by statute and quite separate from the General Fund. The account records both income and expenditure items in respect of all housing activities during the year. For financial year 2017/18 rents have increased by an average of £1.90 (3.1%) to an average dwelling rent of £63.45 per week.

Summary of Budgeted Expenditure and Income	2016/17	2017/18
	£000	£000
Expenditure		
Financing Charges	9,469	10,102
Supervision and Management	8,165	8,191
Repairs and Maintenance	7,298	7,397
Loss of Rents	1,128	1,052
Other Expenditure	697	679
Protected Tenants	59	54
Total Expenditure	26,816	27,475
Income		
Rents and Service Charges	25,977	26,458
Other Income	270	215
Homelessness Funding	569	802
Total Income	26,816	27,475
Surplus / (Deficit) on HRA	0	0

HRA Revenue Budget by Expenditure Type



* This category of expenditure includes items such as insurance, research and Community Scotland Improvement Plan.

Despite the rent increase, Angus Council is amongst the lowest rents of the Scottish local authorities that currently hold housing stock.

THE GENERAL FUND CAPITAL PROGRAMME

2016/2021 FINANCIAL PLAN & PROVISIONAL CAPITAL BUDGET 2017/18

Introduction

The General Fund capital programme encompasses expenditure on assets in service areas such as Schools & Learning, Economic Development, Technical & Property Services, etc. which provide benefits to the community for many years into the future. The type of works and projects involved can range from the purchase of new sports equipment for council leisure centres, to roads engineering projects, to the construction of a brand new school. Operating within the scope of the Prudential Code, the Council has a duty to ensure that its capital investment plans are affordable, prudent and sustainable.

The principal means of funding capital expenditure comes from the following 5 sources:

1. borrowing, which will generate annual capital financing costs requiring to be met from the revenue budget. Under the Prudential Code this borrowing is not constrained by limits set by central government, rather it is determined by what the revenue budget can sustain;
2. capital grants provided by the Scottish Government;
3. grants and contributions from other external sources;
4. the generation of capital receipts through the sale of the Council's surplus assets;
5. the funding of capital expenditure directly from the Revenue Account. This is termed Capital Financed from Current Revenue (CFCR).

Objectives

The Council's main objectives when preparing the capital budget for 2017/18 and beyond have been to:

1. In accordance with the requirements of the Prudential Code, ensure the capital expenditure plans are affordable, that external borrowing and other long-term liabilities are within prudent and sustainable levels and that treasury management decisions are taken in accordance with professional good practice.
2. Replace significant assets at an improved standard.
3. Plan effectively to meet its statutory obligations with regard to service delivery.
4. Deliver a capital programme which reflects the Council's key priority of communities which are:
 - prosperous and fair
 - learning and supportive
 - safe and strong
 - caring and healthy
 - sustainable.

CAPITAL EXPENDITURE PROGRAMMES FOR 2016/17 AND 2017/18

	<u>Projected</u> <u>Outturn</u> <u>2016/17</u> <u>£m</u>	<u>Provisional</u> <u>Budget</u> <u>2017/18</u> <u>£m</u>
<u>Net Capital Expenditure By Directorate</u>		
Chief Executive	1.364	4.157
People	4.737	9.716
Place	18.753	17.752
Adult Services (Integrated Joint Board)	0.242	0.985
Total Net Capital Expenditure	25.096	32.610

The estimate of capital expenditure detailed for 2017/18 totalling £32.610 million is net of ring-fenced capital grants, CFCR and other external funding. After taking account of other funding elements (including estimated income from the sale of assets and unallocated Scottish Government capital grant), the borrowing required in 2016/17 for capital purposes is an estimated £14.247 million.

An assessment of the likely capital financing costs which will be charged to the revenue account has been made and this analysis indicates that the capital expenditure proposals for 2017/18 will be affordable within the allowances made in the projected revenue budget for 2017/18 and beyond.

The final capital budget for 2017/18 will not be established until a comprehensive update of the full 2016/2021 Financial Plan, including the provisional 2017/18 capital budget, is undertaken to account for the effect of the actual expenditure position for the 2016/17 financial year.

MAJOR CAPITAL PROJECTS

The table below sets out the major capital projects which the Council is planning to undertake in 2017/18.

<u>Directorate / Capital Project</u>	<u>Provisional Gross Expenditure 2017/18 £m</u>	<u>Estimated Gross Total Cost £m</u>
<u>Chief Executive</u>		
Montrose South Regeneration	2.156	3.132
Dens Road Business Park Improvements, Arbroath	0.500	0.500
Provision for Agile Angus / Estates Review	1.046	5.139
<u>People</u>		
Arbroath Schools Project (Phases 2 & 3a)	17.330	29.110
Children & Young People Act – Expansion of Pre School Provision	0.974	2.380
<u>Place</u>		
Provision for Zero Waste Implementation	1.354	1.659
Vehicle Replacement Programme	0.933	n/a
Integration of Libraries / ACCESS	1.165	4.200
Capitalised Property Maintenance	1.594	n/a
Arbroath Flood Strategy	2.165	11.970
Roads Infrastructure – Carriageway / Footway Reconstruction	6.300	n/a
<u>Adult Services (Integrated Joint Board)</u>		
Provision for The Gables Replacement	0.500	0.500
Mental Health Accommodation	0.425	0.500

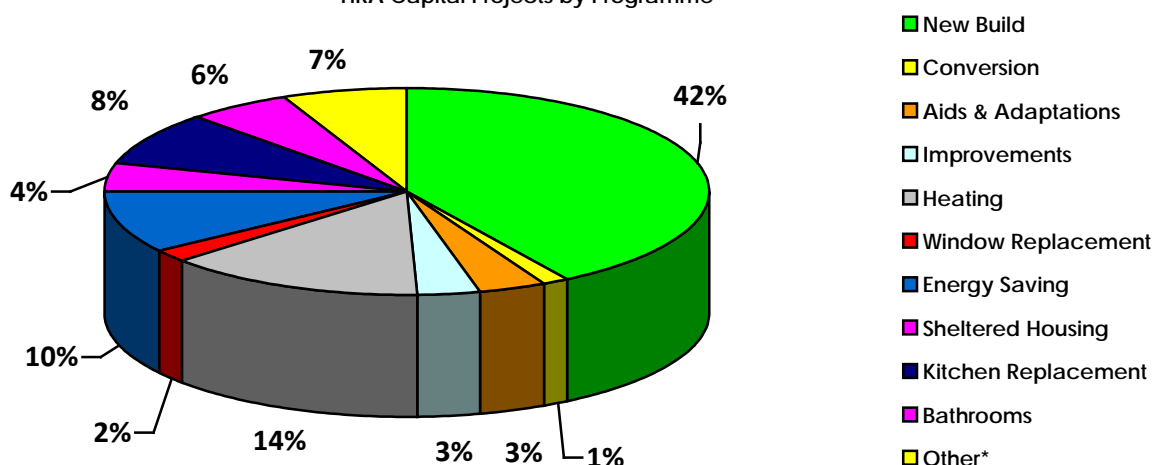
Source: Report 60/17 - 2016/2021 Financial Plan & Provisional Capital Budget 2017/18

HOUSING REVENUE ACCOUNT CAPITAL BUDGET 2017/18

The Housing Revenue Account capital budget covers all capital expenditure which is funded by tenants of council houses. The undernoted table outlines particularly the main elements of the capital programme to upgrade and increase the council housing stock during the financial year 2017/18.

ANALYSIS OF 2017/18 HOUSING REVENUE ACCOUNT CAPITAL BUDGET		
Programme	2016/17 Outturn £000	2017/18 Budget £000
New Build and Shared Equity	2,603	6,227
Conversion	101	206
Aids and Adaptations	635	520
Improvements	18	524
Heating Installation and Replacement	2,015	2,080
Window Replacement	244	313
Energy Saving	1,925	1,455
Sheltered Housing	152	662
Kitchen Replacement	333	1,260
Bathroom Replacement	140	860
Other	408	993
Total	8,574	15,100
Funding		
Mainstream Borrowing	0	3,959
Capital Receipts	1,439	2,131
Capital Finance from Current Revenue	7,135	7,764
Affordable Housing Reserve	0	500
HRA Revenue Balances	0	746
Total	8,574	15,100

HRA Capital Projects by Programme



* This category of expenditure includes Door Entry Systems and Footpaths.

SIGNIFICANT HRA CAPITAL PROJECTS TO BE UNDERTAKEN DURING FINANCIAL YEAR 2017/18	
Project	£000
New Build – Viewmount, Forfar	1,430
New Build – Guthriehill, Smithycroft Arbroath	2,570
New Build – Chapelpark Forfar	2,625
Bathroom Replacement	860
Kitchen Replacement	1,260
Heating Installation and Replacement throughout Angus	2,080
Energy Saving – External Insulation Schemes within Angus	1,455

AREA, POPULATION & RATING STATISTICS

The following table sets out some Angus area statistics

AREA STATISTICS	2016/17	2017/18
Angus Council Electorate	88,111 (per Summary of Register of Electors as at 1 December 2015)	90,466 (per Summary of Register of Electors as at 1 December 2016)
Area (Hectares)	218,148	218,148
Total Estimated Population	116,210 (per 2012 Estimated Population of Localities)	116,210 (per 2012 Estimated Population of Localities)

The following table sets out the estimated population of main Angus towns

Town	Population
Arbroath	23,640
Brechin	7,520
Carnoustie	11,430
Forfar	13,970
Kirriemuir	6,160
Monifieth	8,210
Montrose	11,880
Outwith Main Towns	33,400
Total	116,210

The following table sets out Angus' estimated population by age band

Age (years)	Population	%
0 – 4	5,932	5.1
5 – 15	14,046	12.1
16 – 24	11,617	10.0
25 – 44	26,683	23.0
45 – 64	33,698	29.0
65 – 74	13,142	11.3
75 – 84	8,063	6.9
85 +	3,029	2.6
Total	116,210	100.0

The following table sets out Rateable Values / Subjects

At April 2017	No.	Value (£)		No.	Value (£)
Shops	1,154	16,340,915	Sporting	162	628,770
Public Houses	93	1,460,100	Education	88	8,931,400
Offices Inc. Banks	478	4,971,120	Public Service	333	8,566,085
Hotels Etc.	57	1,830,695	Communication	12	150,100
Industrial Etc.	1,207	17,120,280	Quarries Etc.	20	586,971
Leisure Etc.	422	6,019,380	Religious	172	805,680
Garages Etc.	109	1,335,140	Health & Care	134	5,908,510
Cultural	58	644,005	Other	367	5,126,730
Sub-Total	3,578	49,721,635	Sub-Total	1,288	30,704,246
Total	4,866	80,425,881			

BUDGETED PERSONNEL - ALL SERVICES

	2016/17			2017/18		
	Full-Time	Part-Time	Full-time Equivalent	Full-Time	Part-Time	Full-time Equivalent
<u>People</u>						
Schools & Learning	1,057	542	1,389.0	1,162	809	1,641.9
Children & Young People	430	398	702.8	369	196	476.4
Quality & Performance	57	15	47.1	58	12	46.3
Organisational Change	83	23	97.3	79	20	91.9
<u>Adult Services</u>	327	869	784.2	290	682	732.6
<u>Place</u>						
Directorate	0	0	0.0	2	1	2.8
Business Improvement & Support	51	35	70.8	48	26	62.9
Regulatory & Protective Services	363	50	387.2	364	45	386.9
Technical & Property Services	148	21	160.3	141	23	152.6
Planning & Place	45	4	47.4	41	4	42.4
Services to Communities	0	0	0.0	0	0	0.0
Corporate Finance	138	47	160.4	136	31	154.0
Legal & Democratic	41	43	64.3	36	31	54.5
Resilience	2	0	2.0	2	0	2.0
<u>Chief Executive Unit</u>						
Chief Executive's	20	3	21.9	16	3	17.9
Members	3	1	3.5	3	1	3.5
Economic Development	31	5	34.3	30	6	34.1
Strategic Policy & Transformation	38	55	59.2	41	35	52.6
<u>Housing Revenue Account</u>						
	87	16	97.1	94	5	97.1
<u>TOTAL</u>	2,921	2,127	4,128.8	2,912	1,930	4,052.4

ANGUS COUNCIL ELECTED MEMBERS AS AT MAY 2017

The link below lists the elected members as at May 2017:-

<http://www.angus.gov.uk/councillors>

All Councillors can be contacted via:

Members' Services
The Cross
Forfar
DD8 1BX

Tel. (01307) 473000

Email: members@angus.gov.uk

COUNCIL CONTACT POINTS

The link below lists how to contact the Council:-

http://www.angus.gov.uk/info/19999/council_and_democracy/172/contact_us

TIMETABLE OF COMMITTEE MEETINGS 2017/18

The link below lists the timetable of committee meetings 2017/18:-

http://www.angus.gov.uk/downloads/20086/council_committees_and_membership

GLOSSARY OF TERMS

TOTAL REVENUE SUPPORT GRANT - This is the funding which is out with Council control, i.e. determined by Central Government. The Government sets the level for public expenditure, including the Scottish Government allocation for local authorities, during its budgeting exercise, and thereafter there is an allocation to each of the local authorities. Total Revenue Support Grant includes Revenue Support Grant, Non Domestic Rate Income and Specific Grants and is paid by the Government to help finance the cost of services.

BUDGET - A statement of the Council's spending plans for a specified period of time.

CAPITAL EXPENDITURE - Expenditure of a capital nature produces an asset with a flow of benefits over a period of years.

CAPITAL RECEIPTS - Income from the sale of capital assets or income from capital grants.

COUNCIL TAX/COUNCIL TAX BAND - The Council Tax is a part property related tax and a part personal tax, a combination of the previous rates system and community charge. In respect of property, however, the tax is not related to an estimated rental income (as rates were) but to an estimated capital value which should be more readily assessed. In addition, there is a "personal" element retained in the tax in that there is a 25% reduction where there is only a single occupant in a property. The Government has set eight basic valuation bands for the Council Tax within which property is grouped. The valuations range from Band A (up to £27,000), which incurs two-thirds of the basic charge (Band D), to Band H, the highest range (property valued at over £212,000), which incurs twice the Band D level of charge. The valuations are based on 1991 prices.

COUNCIL TAX BASE - So that the tax level can be estimated, there has to be a conversion of the different numbers of properties in the various bands to the number of properties in the basic band, Band D. So for every "Band H house" there will be 2.45 "Band D houses" and similarly, for every three "Band A houses" there will be only two "Band D houses", so far as tax base estimation is concerned.

COUNCIL HOUSING - The houses owned by a local authority for letting.

DEFICIT - The shortfall of income compared with expenditure.

ESTIMATED SERVICE EXPENDITURE (ESE) - The Scottish Government determines each year a level of expenditure in relation to all Scottish local authorities. This expenditure is determined through a complex formula known as Client Group Assessments of Relative Need and allocated to each of the local authorities on the basis of an assessment of basic needs. It also forms the basis for total revenue support grant allocations to local authorities.

ESTIMATES - The forecasts of expenditure and income included in the budget.

FINANCIAL YEAR - The year commencing 1st April and ending 31st March.

GENERAL FUND - The account which records the expenditure and income of all the Council's services apart from Council Housing.

GROSS EXPENDITURE - The total cost of providing services before deducting Specific Grants, rents, fees and charges, etc.

HOUSING REVENUE ACCOUNT (HRA) - The account which shows the Council's expenditure and income on the provision, management and maintenance of Council housing. This account is held separately from the General Fund, and is entirely self-financing, with the full balance of net expenditure being met by Council House tenants.

INFLATION ALLOWANCES - The amount provided in the budget to cover anticipated cost increases from the base date to the end of the financial year.

INTEREST - The amount received or paid for the use of money.

NET EXPENDITURE - The net cost of providing services after deducting Specific Grants, rents, fees and charges, etc.

NON-DOMESTIC RATE POUNDAGE - The level of non-domestic rate set by the Scottish Government in respect of business and commercial premises. (Also referred to as the **Unified Business Rate**.)

NON-HRA (OTHER HOUSING) – The housing expenditure of the Council is divided into two sections – the Housing Revenue Account (HRA) which relates to Council housing expenditure and the non-HRA which covers the housing expenditure not involving Council housing, i.e. housing benefits, etc.

RENEWAL AND REPAIR FUND – Funds maintained by the Council into which contributions can be made from which there can be money made available for unforeseen items of expenditure. The Council's R&R Fund is for unforeseen items of a repair or renewal nature in the areas of Property, Roads and Transport, Information Technology, Recreation and Print & Design Unit.

REVENUE EXPENDITURE - The continuing day-to-day running expenses on the provision and upkeep of services which are met from current income.

REVENUE SURPLUS BALANCE - Reserves available to meet items of future expenditure.

REVENUE DEFICIT BALANCE - Liabilities which need to be budgeted for.

REVENUE EXPENDITURE

EMPLOYEE COSTS - Includes wages, salaries, bonuses, overtime, Employer's National Insurance and superannuation contributions as well as employee training.

PROPERTY COSTS - Includes rent, rates, repairs and maintenance, heating and lighting costs as well as feu duties and metered water charges.

SUPPLIES AND SERVICES - Includes printing and stationery, advertising and postages, the cost of purchasing materials, spare parts, food, protective clothing, as well as payments to contractors and others for the provision of services.

TRANSPORT COSTS - Includes the cost of providing and maintaining all vehicles and plant including fuel, tyres, repairs, Road Fund Tax and insurance, as well as employee travelling expenses.

THIRD PARTY PAYMENTS - Payments made to an external provider in return for the provision of a service on behalf of the Council, such as care of the elderly.

TRANSFER PAYMENTS - Payments to individuals for which no goods or services are received in return by the local authority, such as grants and benefits paid to individuals and various organisations.

SUPPORT SERVICES - Charges for services such as Finance, Information Technology, Legal & Democratic, etc. which support those directorates providing front line services to the public.

CAPITAL FINANCING COSTS - The cost of financing assets owned or controlled by the Council. This includes loan repayments, interest charges, leasing charges and debt management expenses.

CAPITAL FINANCED FROM CURRENT REVENUE (CFCR) – The cost of acquiring an asset which is financed at the Council's discretion from within the Revenue Budget (i.e. expenditure is financed as it is incurred).

RECHARGE COSTS (Internal) – This is expenditure for overhead costs not directly associated with operating activity recharged to other service areas.

REVENUE INCOME

SPECIFIC GOVERNMENT GRANTS - Grants received from Central Government in respect of a specific purpose or service, usually calculated as a pre-determined percentage of the expenditure actually incurred.

OTHER GRANTS - Grants of a non-specific nature which are not included in the Government's Total Revenue Support Grant settlement, the largest of these being the grant received in respect of Housing Benefits awarded to public and private sector tenants.

RECHARGE INCOME (Internal) - This is income received for work done by one Council service on behalf of another.

FEES, CHARGES, ETC. - Income received by directorates for services provided to members of the public or other external bodies e.g. planning application fees, charges for sports and leisure facilities.

OTHER INCOME - Miscellaneous amounts of income which cannot be included in any of the other categories of income defined above.