

Revenue Budget 2017/18

1) Introduction

The Purpose of this note is to provide an overview of the City Council's revenue budget for 2017/18. It aims to provide a brief explanation of what funds are available, where the money comes from and how it is spent.

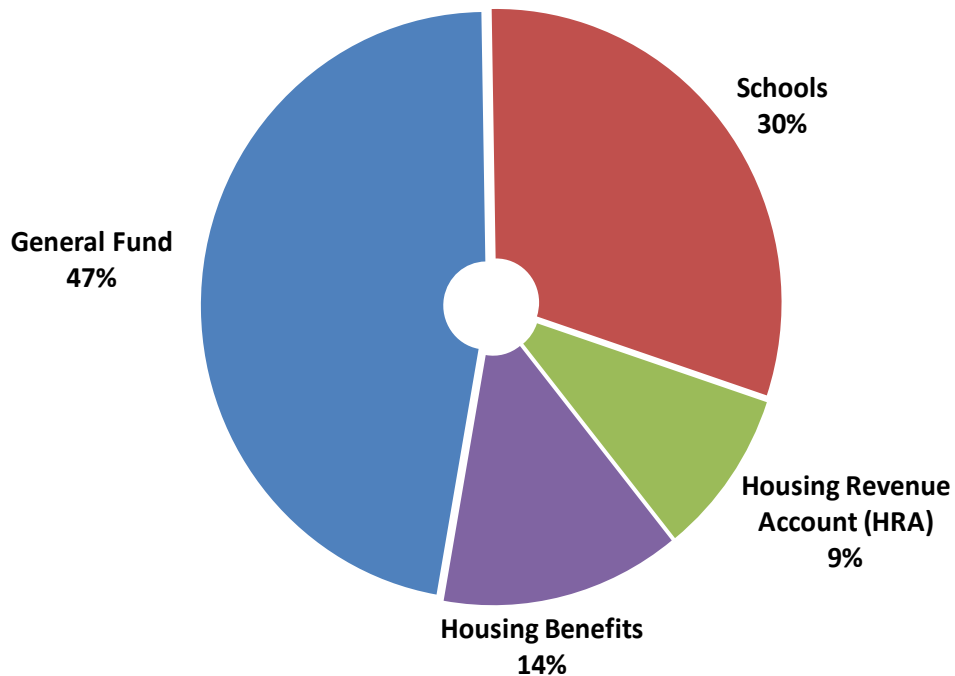
The budget for 2017/18 is set in the context of the most severe funding cuts we have ever experienced. This is a result of reductions in Government grant, falling from £289m in 2010/11 to £166m in 2019/20 on a like for like basis.

2) Gross Expenditure

The Council's budgeted gross revenue expenditure for 2017/18 is £900m. This is split between:

- a) budgets managed by schools;
- b) the Housing Revenue Account, which records expenditure on the provision of rented housing;
- c) the cost of providing housing benefits;
- d) all other services (the General Fund)

Figure 1 – Budgeted Gross Expenditure



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3) Net Expenditure

To arrive at the Council's net expenditure, certain income must be deducted from gross expenditure.

Figure 2 – Budgeted Net Expenditure

<u>Budget 2017/18</u>	<u>General</u> <u>Fund</u> <u>(£m)</u>	<u>Schools</u> <u>(£m)</u>	<u>Housing</u> <u>Revenue</u> <u>Account</u> <u>(£m)</u>	<u>Housing</u> <u>Benefits</u> <u>(£m)</u>	<u>Total</u> <u>(£m)</u>
Gross Expenditure	423.5	274.0	82.1	122.2	901.7
<u>Income</u>					
Specific Grants & Charges Made for Services	(148.1)	(274.0)	-	(121.7)	(543.8)
Tenants' Rents & Other Charges	-	-	(82.1)	-	(82.1)
Total Income	(148.1)	(274.0)	(82.1)	(121.7)	(625.8)
Net Budget	275.4	-	-	0.5	275.9

As can be seen, the net schools budget is nil. This is because schools are funded directly from the government, through the Dedicated Schools Grant. The net Housing Revenue Account budget is also nil, as rent collected from council tenants is used to fund expenditure.

The cost of providing housing benefits is reimbursed by the government, but reimbursement falls slightly short of the council's expenditure requirement by £0.5m. This, along with the General Fund net budget amounts to £275.9m.

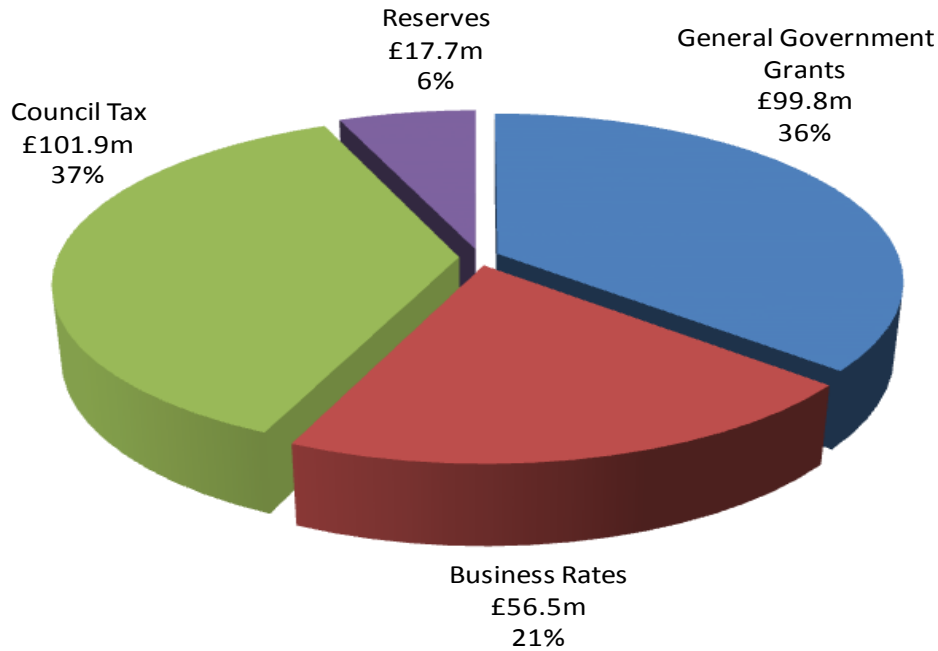
Specific grants are grants received for specific purposes. They are treated as income to the specific service. Charges are made for a number of Council services.

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4) Funding the Net Budget

This is funded by general Government Grants, Council Tax, Business Rates and the council's reserves, as shown in Figure 3 below:

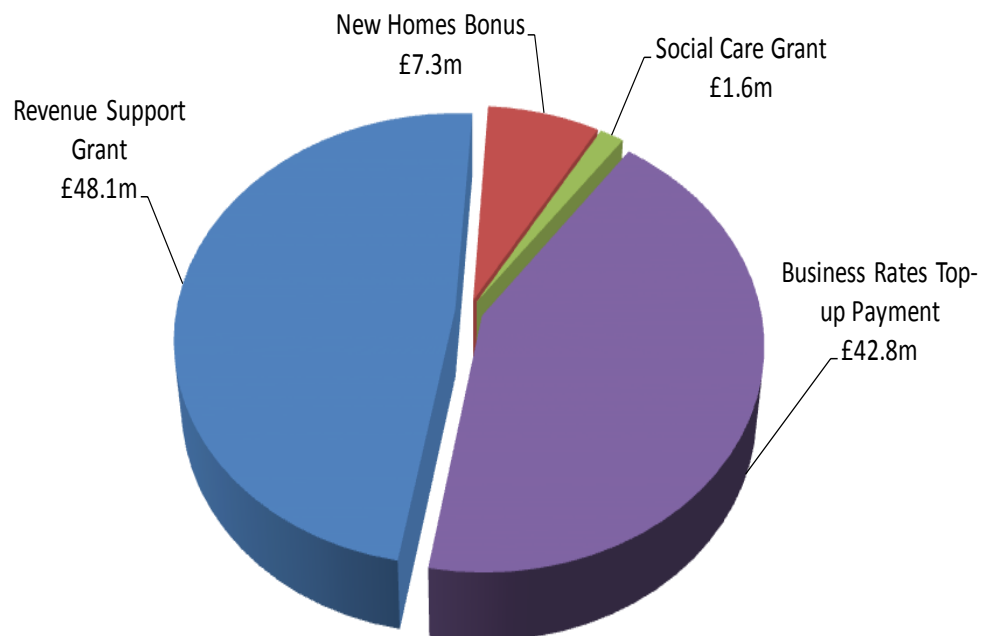
Figure 3 – Funding the Net Budget



General grants can be spent on any purpose.

The split of general government grants is shown below in Figure 4:

Figure 4 – General Government Grants

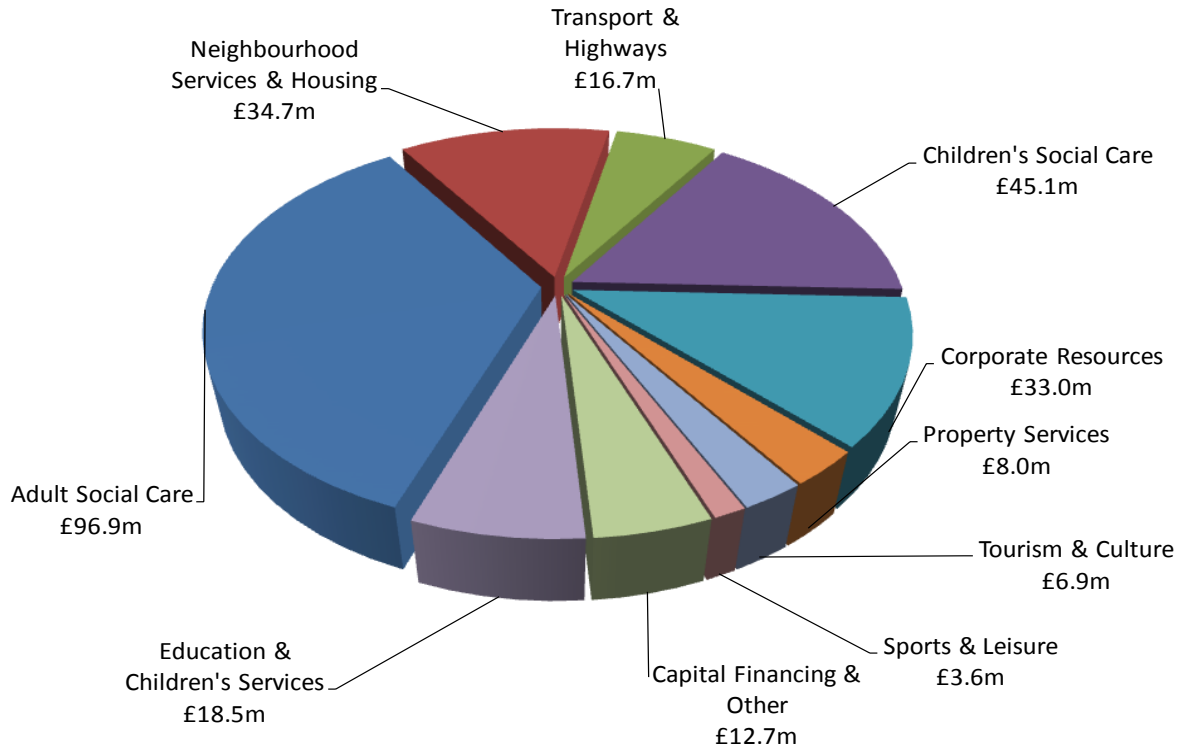


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5) Areas of spend

The Net Budget funds the following services shown below in Figure 5:

Figure 5 – Service Spending



Adult's and Children's Social Care forms around 50% of the total net expenditure shown above.

6) Further Information

The full council budget strategy can be found here:

<https://www.leicester.gov.uk/media/182148/budget-report-2017-2018.pdf>