

Definitions Budget Preparation

Revenue Budget

Before the start of each financial year, we need to set a budget for our day-to-day expenditure. This is called the Revenue Budget and is the amount of money we'll need to provide our services during the year, taking into account any income generated through the hire of facilities and any grants we may receive. Examples include staff salaries, building maintenance, contributions to the rolling capital programme and the costs of running council vehicles.

Rolling Capital Programme

The revenue budget contributes a predetermined sum into the Rolling Capital Programme, which is defined as the planned capital expenditure over the next five years. Capital expenditure is usually spending of a 'one-off' nature and results in the construction or improvement of an asset such as a building or the acquisition of, for example, a new vehicle.

Medium Term Financial Plan

The purpose of this Medium Term Financial Plan (MTFP) is to set out the five-year financial forecast for the council, taking account of strategic priorities and the current delivery plan. The MTFP pulls together, in one place, all known factors affecting the council's financial position and financial sustainability over the medium term (i.e. over a five-year period). The MTFP integrates revenue budgets, the rolling capital programme and projected reserves based upon assumed levels of inflation and anticipated changes in the tax base.

Tax Base

The "tax base" is the number of Band D equivalent dwellings in a local authority area. To calculate the tax base for an area, the number of dwellings in each council tax band is adjusted to take account of any discounts, premiums or exemptions. The tax base is determined by the principle authority, i.e. Milton Keynes City Council. Adjustments made to the tax base can be for any of the following reasons;

- Increase in dwellings due to developments
- Increased engagement with billpayers arising from the implementation of the Energy Rebate scheme which has resulted in the re-categorisation of properties (empty dwellings/second homes)
- Reviews of empty properties
- Delays with probate
- Increased awareness of discounts for households with a resident living with a severe mental impairment, as well as other local authority schemes