

BUDGET FOREWORD

1. 2010/11 Budget

Oadby & Wigston Borough Council's net revenue budget for 2010/11 is £8,382,692. After applying £52,670 from General Fund Balances, the budget requirement is £8,330,022.

In preparing this budget, Members and officers have worked together to ensure that existing services are safeguarded and that additional spending pressures are managed within a longer term financial strategy that maintains council tax increases at affordable levels and reserves above a 'minimum' threshold set by the Council. A five-year budget strategy suggests that the Council has the resources to deliver its' priorities and desired outcomes, although some difficult financial decisions will be required to achieve a balanced budget in forthcoming years.

The Council received a disappointing financial settlement for the 3 year period 2008/09 to 2010/11 which has meant that some difficult decisions have needed to be made to arrive at an agreed budget for 2010/11. Apart from statutory and other unavoidable service growth, a freeze has been put on service developments.

- Council tax is increased by 2% to cover the cost of existing services plus the costs of unavoidable additional requirements, such as planning inspectorate costs.

There are risks to any budget and for 2010/11 this is recognised in two ways:

- The maintenance of healthy balances will help safeguard against the impact of unforeseen expenditure. The projected level of balances as at 31st March 2011 will be £1.2m, against a minimum level of £800,000.
- By maintaining uncommitted Reserves. These provide revenue funding for new projects and any additional costs arising out of job evaluation.

Overall, the 2010/11 budget aims to protect existing services, deliver the Council's priorities and desired outcomes, and manage the risks to the Council's finances.

2. Local Government Finance Settlement

2010/11 is the 3rd year of a 3-year financial settlement from the Government. The provisional settlement figure, including the Area Based Grant, for 2010/11 is £4,671,544 which represents an increase of 1.3% over the 2009/10 settlement.

3. Council Tax Base

The Council Tax Base for 2010/11 is 17,984.40

4. Collection Fund Balance

The Collection Fund balance is made up of a surplus or deficit on council tax collection and is shared between the precepting bodies pro rata to their council tax levies. The Collection Fund is estimated to be in surplus at 31 March 2010 – our share of which is £14,792.

5. General Fund Balances

The general fund balance is estimated to be £1.205 million at 31 March 2010. The 2010/11 budget assumes usage of £52,670 leaving a projected balance at 31 March 2011 of £1.152 million.

The Council's minimum general fund balance has been declared as £800,000. The medium term budget strategy demonstrates that reserves can be maintained above the Council's minimum figure by working towards a balanced budget position from 2010/11 onwards. However, any significant variations in budgetary projections will require spending priorities to be reviewed.

6. **Budget Requirement and Council Tax**

The figures below calculate the council tax necessary to fund the budget requirement.

	£
Net Revenue Budget	8,382,692
Deduct	
Use of General Fund Balance	<u>(52,670)</u>
Budget Requirement	8,330,022
Deduct	
Revenue Support Grant/NNDR/ABG	(4,671,544)
Collection Fund Surplus	<u>(14,792)</u>
Net Council Tax Precept	<u>3,643,686</u>

$$\text{Council Tax} = \text{£}3,643,686 \div 17,984.40 = \text{£}202.60$$

7. **Conclusion**

The Council's external auditors have confirmed that the Council has continued to manage its financial resources well in the past year and this budget aims to continue that good practice in 2010/11. The challenge for future years is to continue to meet the anticipated shortfall in financial support from the Government and find ways to maximise the use of limited resources, to enable the delivery of the Council's priorities and desired outcomes.

David Walton B.Sc (Econ.) C.P.F.A.
Interim Director of Resources