

Glossary of Budget Terms

TERM	MEANING
Budget	Plan in financial terms
Revenue Budget	Cost of day to day expenses, eg wages, running costs, gas electric, fuel, contract payments, goods and services.
Medium Term Financial Plan	The Councils budget for the next 4 years
Capital Expenditure	Expenditure that creates, extends the life, or value of an asset.
Dedicated Schools Grant	Large Government grant paid to Councils to fund the cost of schools (excludes academies)
Service Cut	Removal or reduction in the service provided by the Council
Council Tax	Income to the Council raised from Council Tax payers in the town
Government Grants	Money paid from the Government to the Council to fund Council services
Capital Financing Costs	The mortgage and interest payments made by the Council to pay for the assets it buys
Service Investment	The additional money put into Council services to provide more or new services.
Corporate Costs	Cost to the Council for computing, financial services, legal services, human resources, property
Value for Money	The requirement to provide services at the best cost at the required quality
Council Priorities	The services which the Council sees as the most important to the town
Efficiency Targets	The financial targets set by the Government on the Council to achieve value for money 3% to 4% per year
Inflation	The rising cost of pay and goods and services
Budget Gap	The difference between what the Council needs to spend and the income it has to pay for the spend.
Council Reserve	The savings the Council has set aside to meet unexpected costs.
Provisions	The money the Council has set aside to meet costs it knows are going to happen in the future.
Financial Risks	Issues and projects that could have a financial impact on the council because of their size or uncertainty