

Appendix 2a

Draft Revenue 2011/12 Budget and Analysis

The Status of the Budget

- 1.1 This second draft of the budget presented to the Executive has been subject to a review by Resources and Performance as part of the 2011/12 budget process.
- 1.2 We have now received confirmation of the Government Grant settlement and this has been incorporated into this second draft, and can be seen detailed in Table 1 below and Appendix 1
- 1.3 The amount available for distribution from the Collection Fund will be confirmed later in the process and expected further announcements in relation to inflation and interest rates will also be considered.
- 1.4 The draft budget will be presented to the Executive again on February 7th 2011 with detailed analysis of expenditure by Directorate and service before approval by Council on February 21st 2011.
- 1.5 The impact of the economic situation will continue to be reviewed in relation to the 2011/12 budget and a review of inflation and interest rates will be conducted in relation to our risk review.
- 1.6 Investment income has been reviewed and adjusted to take account of the current economic climate this will be further reviewed within Draft 3.

General Fund Revenue Budget

- 1.7 The draft General Fund Revenue budget is shown in Table 1. The draft budget presented illustrates significant progress in securing further efficiency savings to substantially reduce the funding gap identified in the previous draft from £1,114,180 to £360,510.

SERVICE EXPENDITURE - excluding support allocation	Budget 2010/11	Projection 2010/11	Budget DRAFT 1 2011/12	Budget DRAFT 2 2011/12	Movement
Service Expenditure Funding	£18,527,526	£18,527,526	£17,211,950	£16,240,470	
Investment Income	£1,348,753	£1,348,753	£891,127	£791,127	
Government Grant	£10,905,340	£10,905,340	£8,687,646	£8,574,773	
Collection Fund	£84,477	£84,477	£142,403	£142,403	
Council Tax	£6,188,956	£6,188,956	£6,376,594	£6,371,657	
	£18,527,526	£18,527,526	£16,097,770	£15,879,960	
Potential Shortfall	£0	£0	£1,114,180	£360,510	£753,670
COUNCIL TAX					
Relevant Tax Base	50,113	50,113	50,396	50,337	
Council Tax Rate for Band "D"	£123.50	£123.50	£123.50	£123.50	
Council Tax Collection	£6,188,956	£6,188,956	£6,223,906	£6,216,620	
Council Tax Grant	£0	£0	£152,688	£155,037	
Total Council Tax	£6,188,956	£6,188,956	£6,376,594	£6,371,657	

1.8 The reduction of the deficit of £753,670 is primarily as a result of :

Driver	£
Concessionary Fares - provision for Token refunds post 31/3/2010	70,000
Various other budget adjustments	-47,365
Outcome from Scrutiny Review (excluding items on call in)	-111,505
Value for Money Reviews	-150,312
Building Blocks incorporated into Draft 2	-181,488
South Northants Joint Management Savings	-333,000
Total	-753,670

1.9 The total reduction in the 2011/12 Draft Budget 2 now equates to £2,647,566 when compared with 2010/11 budget.

Actions to address budget deficit

1.10 In order to balance the budget a further reduction in costs or increase in income of £360,150 is required. The following actions have been identified for the Executive to consider in order to minimise the budget deficit at this stage:

£1,114,180	DRAFT 1 DEFICIT
£360,150	DRAFT 2 DEFICIT
	AREAS UNDER REVIEW
	RECOMMENDATIONS OF OVERVIEW AND SCRUTINY (AGENDA ITEM 8)
	VALUE FOR MONEY REVIEW OF CULTURAL AND HERITAGE (AGENDA ITEM 10)
	REVIEW OF RESERVES & PROVISIONS
	REVIEW OF INTEREST INCOME
	REVIEW OF RISK
	REVIEW OF PROVISIONAL SETTLEMENT CONSULTATION

Medium Term Financial Strategy 2011/12 – 2014/15

1.11 The MTFS is refreshed throughout the year and will be updated in line with the final budget for 2011/12. This will be presented as part of the budget booklet and will contain a number of scenarios which will be modelled on the 2 year settlement.