

Ealing Council Budget...

Explained in household terms



Revenue:

This money is generated through council tax, retained business rates, fees and the general grant from the government.

This is the money we use to pay for our day to day services, eg. emptying your bins and running libraries. This like using wages to pay for living costs like shopping or energy bills.

Capital:

This is money we can only use on big purchases that have a long term value to the council such as building schools or council houses, road improvements or a significant purchase of equipment.

The cost of these projects may be too much for the council to pay all at once, so we borrow money instead, in a similar way to a person taking out a mortgage to buy a house.



Reserves:

This is money we have set aside for things we know we will have to pay for like capital projects, legal claims against the council, and elections but which we couldn't afford to pay for from our revenue budget. It also covers unexpected costs.

In personal terms these reserves are the same as a person saving for a 'rainy' day and like a savings account once it is spent it is gone.