

**Calculation of the proposed budget**

**1 Summary**

	£000
Original budget 2012/13 at estimated outturn prices	70,469
Add full year costs of actual inflation to November 2012	417
Adjustments:	
Interest and statutory provision for debt repayment	-216
Contribution to capital spending 2012/13	-4,920
Minor adjustments	12
Provision for inflation from November 2012 to outturn 2013/14	758
HFRA firefighter pension costs	-55
Net change in leasing costs	-3
Removal of 2012/13 Council Tax freeze grant	1,173
Council Tax freeze grant 2013/14	-394
Additional funding from reserves to fund expenditure already in the base budget	-142
Base Budget	67,099
Efficiency Savings 2013/14	-2,251
Budget Pressures 2013/14	164
Contribution to the Capital Payments Reserve 2013/14	2,461
Proposed Budget 2013/14	67,473

**2 Full year cost of inflation to November 2012 prices**

- 2.1 The original budget has been increased to reflect the actual costs of inflation to November 2012. Total inflation is £417,000 for pay and prices. The main reason for the increase is that there was a pay award provided in July 2012.

### **3 Interest and provision for statutory debt repayment costs**

- 3.1 Interest payable to the Public Works Loans Board together with the amount that has to be set aside for the statutory provision for debt repayment decrease these budget heads overall by £216,000 in 2013/14. It is assumed there will be no interest payable to the County Council in 2013/14.

### **4 Contribution to capital spending**

- 4.1 The one off contribution of £4,920,000 to the capital payments reserve in 2012/13 has been ceased.
- 4.2 There will however, be a one off contribution of £2,533,000 to the Capital Payments reserve in 2013/14

### **5 Provision for future inflation**

- 5.1 The provision for inflation from November 2012 to March 2014 has been calculated based on 1% for fire-fighters and support staff pay awards, 2.2% for pension payments that the Authority is still liable for and 2.5% for most other costs.

### **6 HFRA firefighters pension costs**

- 6.1 The pension costs for which the Authority is liable for are estimated to decrease by £55,000 in 2013/14. This decrease is largely due to a reduction in the provision for expected ill-health retirements from five to three per annum.

### **7 Reduction in leasing costs**

- 7.1 This is the reduction in costs in the year of the leasing charges falling out as leases expire.

### **8 2012/13 Council tax freeze grant**

- 8.1 This is the previous year's council tax freeze grant that was available for one year only.

### **9 2013/14 Council tax freeze grant**

- 9.1 The Finance and General Purposes Committee has recommended that this year the 1% Council Tax freeze grant be accepted, so this has been included.

### **10 Efficiency Savings**

- 10.1 This is this years corporate efficiency savings requirement.

### **11 Budget Pressures**

- 11.1 This represents the total additional budget pressures in 2013/14. The total consists of two separate pressures. The first is for the local funding of marine firefighting, previously financed by the Maritime and Coastguard Agency (£64,000). The second (for £100,000) is to increase the centrally held contingency budget as a result of the reduction in other budgets which has restricted the flexibility to meet unexpected costs.