

Calculation of the draft budget

1 Summary of changes in the base budget

	£000
Original budget 2013/14 at estimated outturn prices	67,473
Add full year costs of actual inflation to November 2013	163
Adjustments:	
Provision for inflation from November 2013 to outturn 2014/15	1,158
Ceasing contribution to capital spending 2013/14	-2,461
Interest and statutory provision for debt repayment	-120
HFRA firefighter pension costs	-48
Other minor adjustments	-46
Contribution to the Capital Payments Reserve 2014/15	2,503
Ceasing contribution from reserves to fund base expenditure	142
Council Tax freeze grant 2014/15	-398
Base Budget	68,366
Efficiency Savings 2014/15	-2,256
Draft Budget 2014/15	66,110

2 Full year cost of inflation to November 2013 prices

- 2.1 The original budget has been increased to reflect the actual costs of inflation to November 2013. Total full year inflation is £163,000 for pay and prices. The main reason for the increase is that there was a pay award provided in July 2013.

3 Provision for future inflation

- 3.1 The provision for inflation from November 2013 to March 2015 has been calculated based on 2% for fire-fighters and support staff pay awards, 2.2% for pension payments that the Authority is still liable for and 2.2% for most other costs with the exception of the fixed

contribution to the LGPS which has increased by 8.8%, waste 8%, vehicle fuel 5% and utilities.

4 Ceasing contribution to capital spending

- 4.1 This is due to ceasing the contribution of £2,461,000 to the capital payments reserve in 2013/14.
- 4.2 There will however, be a one off contribution of £2,503,000 to the capital payments reserve in 2014/15

5 Ceasing contribution to fund base expenditure

- 5.1 Last year an additional £142,000 contribution was taken from the Revenue Grants unapplied reserve (RGUR) to fund expenditure already in the base budget. This year expenditure and funding has only been agreed for additional expenditure added in to the budget, meaning this £142k reverts back to forming part of the base budget.

6 Interest and provision for statutory debt repayment costs

- 6.1 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 has decreased by £120,000 in 2014/15.
- 6.2 Interest on cash balances and short-term investments is expected to increase by £15,000 in 2014/15.

7 HFRA firefighters pension costs

- 7.1 The pension costs for which the Authority is liable for are estimated to decrease by £48,000 in 2014/15. This decrease is largely due to the fact the ill health lump sums were lower than what was budgeted for in 2013/14.

8 Other minor adjustments

- 8.1 This represents additional income expected during the year of £56,000, offset by a £10,000 increase in operational leasing costs.

9 2014/15 Council tax freeze grant

- 9.1 This year the 1% Council Tax freeze grant has been accepted and is expected to amount to £397,911.

10 Efficiency Savings

- 10.1 This is the corporate efficiency savings requirement for 2014/15 to complete phase 1 of efficiency savings covering the 2010 Comprehensive Spending Review period.