

## Calculation of the base budget

### 1 Summary of changes in the base budget

	£000
Original budget 2011/12 at estimated outturn prices	68,674
Add full year costs of actual inflation to November 2011	-111
Adjustments:	
Interest and statutory provision for debt repayment	-352
Full year effect of previous years' growth and budget adjustments	-1,970
Provision for inflation from November 2011 to outturn 2012/13	560
HFRA firefighter pension costs	-74
Net change in leasing costs	-52
Vacancy savings currently in the base budget	340
Assumed take up of 3% council tax freeze grant	-1,175
Cost of additional bank holiday	46
Add back 11/12 Council tax freeze grant now incorporated within formula grant	973
	66,859

### 2 Full year cost of inflation to November 2011 prices

- 2.1 The original budget has been reduced to reflect the actual costs of inflation to November 2011. Total inflation is -£111,000 for pay and prices. The main reason for the reduction is that there were no pay awards provided in 2011.

### 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 £352,000 in 2012/13. It is assumed there will be no interest payable to the County Council in 2012/13.

#### **4 Full year effect of previous years' growth and budget adjustments**

- 4.1 These decrease the budget by £1,970,000. This is mainly due to the contributions to the Grant Equalisation and Capital Payments Reserves.

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

- 5.1 The provision for inflation from November 2011 to March 2012 has been calculated based on 0% for firefighters and support staff pay awards, 5.6% for pension payments that the Authority is still liable for and 2.5% for most other costs. Energy and fuel costs have been provided for on average at 15%.

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

- 6.1 The pension costs for which the Authority is liable for are estimated to decrease by £74,000 in 2012/13.

#### **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 Vacancy savings currently in the base budget**

- 8.1 As a result of the Staff Review efficiency savings it would not be possible to achieve assumed vacancy savings in the future as well.

#### **9 Assumed take up of 3% council tax freeze grant**

- 9.1 In building this draft budget it has been assumed that the Authority will accept the council tax freeze grant.

#### **10 Cost of additional bank holiday**

- 10.1 This is the cost to the Authority of the Queen's Diamond Jubilee bank holiday in June 2012.