

Calculation of the base budget**1 Summary of changes in the base budget**

	£000	%
Original budget 2009/10 at estimated outturn prices	66,659	
Add full year costs of actual inflation to November 2009	-449	-0.7
Add growth items allowed in the base budget:		
Net cost of increments	25	-
Interest and statutory provision for debt repayment	35	-
Full year effect of previous years' growth and budget adjustments	-336	-0.5
Provision for inflation from November 2009 to outturn 2010/11	1,167	+1.8
HFRA firefighter pension costs	-6	-
Net change in leasing costs	-49	-
	67,046	+0.6

2 Full year cost of inflation to November 2009 prices

- 2.1 The original budget has been reduced to reflect the actual costs of inflation to November 2009. Total inflation is -£449,000 for pay and prices. The main reason for the reduction is that the actual pay awards were less than that provided.

3 Increments

- 3.1 These are the gross costs of increments less savings on turnover. The net cost for firefighters is nil and for support staff is £25,000.

4 Interest and provision for statutory debt repayment costs

- 4.1 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 increase these budget heads overall by a net £35,000 in 2010/11. It is assumed there will be no change in interest payable to the County Council.

5 Full year effect of previous years' growth and budget adjustments

- 5.1 These decrease the budget by £336,000. This is mainly due to the contribution to the Improvement and Sustainability Reserve which was for one year only.

6 Provision for future inflation

- 6.1 The provision for inflation from November 2009 to March 2011 has been calculated based on 1% for firefighters and support staff pay awards, 0% for pension payments that the Authority is still liable for and 2.5% for most other costs. Exceptions have been made for gas which has been provided for at 15% and business rates which has been provided for at 11.4%. An increase in local government employer's pension contributions of 0.5% for support staff and 1% for employer's pension contributions for firefighters has also been provided for.

7 HFRA firefighters pension costs

- 7.1 The pension costs for which the Authority is liable for are estimated to decrease by £6,000 in 2010/11.

8 Reduction in leasing costs

- 8.1 This is the reduction in costs in the year of the operational leasing charges falling out as leases expire offset by increases in finance lease charges.