

Calculation of the 2011/12 base budget

1 Summary of changes in the base budget

| | £000 | % |
|---|---------------|----------|
| Original budget 2010/11 at estimated outturn prices | 68,160 | |
| Add full year costs of actual inflation to November 2010 | -234 | -0.3 |
| Add growth items allowed in the base budget: | | |
| Interest and statutory provision for debt repayment | 229 | 0.3 |
| Full year effect of previous years' growth and budget adjustments | -651 | -1.0 |
| Provision for inflation from November 2010 to outturn 2011/12 | 845 | 1.2 |
| HFRA firefighter pension costs | 9 | |
| Net change in leasing costs | -135 | -0.2 |
| Base budget 2011/12 | 68,223 | 0 |

2 Full year cost of inflation to November 2010 prices

- 2.1 The original budget has been reduced to reflect the actual costs of inflation to November 2010. Total inflation is -£234,000 for pay and prices. The main reason for the reduction is that there were no pay awards made in 2010 although provision was made.

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 increase these budget heads overall by £229,000 in 2011/12. It is assumed there will be no change in interest payable to the County Council.

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

- 4.1 These decrease the budget by £651,000. This is mainly due to the contributions to the Grant Reduction and Capital Payments Reserves offset by the cost of new breathing apparatus all which was for one year only.

5 Provision for future inflation

- 5.1 The provision for inflation from November 2010 to March 2012 has been calculated based on 0% for firefighters and support staff pay awards, 2.5% for pension payments that the Authority is still liable for and 2.5% for most other costs. An increase in local government employer's pension contributions of 0% for support staff and 0% for employer's pension contributions for firefighters has also been provided for.

6 HFRA firefighters pension costs

- 6.1 The pension costs for which the Authority is liable for are estimated to increase by £9,000 in 2011/12.

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.