

**Consideration of the Budget 2004/05**

**Maintenance of the real term spending power of existing budgets**

As reflected in the medium-term financial framework, budgets are updated each year to take account of inflation and also known commitments of a corporate nature. A number of policy commitments have also been added in line with decisions taken when setting the budget for 2003/04.

£'000

**Pay and Price Increases**

An estimate of likely pay awards is made each year, differentiating where appropriate between groups of employees, e.g. teachers. A general allowance is made for increases in prices usually in line with the appropriate Retail Price Index.

4,533

**Education**

The Education budget is reinstated to FSS to meet the DfES requirement to 'passport' to schools.

2,247

**Capital Financing Costs**

As the Council makes use of supported borrowing granted, the additional interest and repayments generated are reflected. The Council's FSS is updated annually on a similar basis.

1,711

**Precepts and Levies**

With effect from the 1st April 2004 the Fire Authority will become a precepting body and therefore their budget (£5.395 million) will not form part of the Council's budget. Flood Defence and Land Drainage levies anticipated increases are reflected accordingly.

(5,315)

**Waste Management Costs**

The Council has accepted the PFI contract as a corporate financial responsibility and costs as a result of increased volumes of waste, landfill tax and other additional costs are reflected.

830

**Other Corporate Costs**

Where appropriate, additional costs are reflected for corporate budgets such as insurance, LPSA expenditure (youth offending), Race Equality Steering Group, Job Evaluation costs etc.

732

**Exceptional Items**

The next financial year sees a transfer of funding from specific grants to mainstream FSS for Social Care Children's services (£1.131 million). The next financial year sees a transfer of funding to specific grants from mainstream FSS for Council Tax Benefit and Rent Allowances of £1 million

131

**One-off budgets in 2003/04**

One-off budgets allocated in 2003/04 that are not required in future years, including the use of £0.4 million from reserves for Social Care and Highways, are removed

(600)

**Replenish Reserves**

Following the use of £1.9 million of reserves in 2003/04, a sum of £0.3 million has been set aside to replenish reserves in 2004/05

300

4,569