

**BUDGET PREPARATION GUIDELINES
2012/13 INITIAL ESTIMATES
AND PROJECTIONS FOR 2013/14 and 2014/15**

The following guidelines must be adhered to in the preparation of the 2012/13 Initial Estimates and the projections for 2013/14 and 2014/15

1. **General**

Support Service/Management Costs

- 1.1 The reallocation of support service/management costs will be calculated by Financial Services and incorporated into budgets as part of the estimates process.

Capital Charges

- 1.2 Capital charges will be calculated by Financial Services and incorporated into budgets as part of the estimates process.

Inflation

- 1.3 Price inflation will be applied in line with contractual obligations, for example on the budgets for supply contracts where the contracts have been re-tendered during the year. There will be no other general increases for inflation.

Bids/Budget Pressures

- 1.4 Any bids for additional budget provision to meet either one off or ongoing service needs will be collated by Financial Services for consideration by the Senior/Corporate Management Team (SMT/CMT). The bids presented to SMT/CMT will be prioritised for presentation to Members.

Savings/Income Shortfalls

- 1.5 Any savings or income shortfalls identified during the budget preparation process should be included on the worksheets provided which will be collated by Financial Services.

2. **2012/13 Initial Estimates**

April 2012 Pay Award and Pensions

- 2.1 The pay award for 2012/13 has yet to be negotiated. It is assumed that due to the financial constraints and limited finance available for the Council to provide services there will be no general pay increase for 2012/13. Officers will continue to review this position during the budget process.
- 2.2 The employer's contributions rate for 2012/13 is 23.1%.

Fees and Charges

- 2.3. Fees and Charges increases should be subject to separate reports to the January 2012 Executive Committee meeting. Based on current projections as to the inflation level during 2012/13 the income budgets for each Service area / Directorate should show an overall increase of at least **2.5%**.

Inflation

- 2.4 Price inflation will be applied in line with contractual obligations. There will be no general increase for inflation. Utilities will be increased by 10% to reflect current projections for future years. Officers will continue to review the position to reflect any changes in assumptions during the budget process.

Growth/Pressures

- 2.5. Items which represent real growth/pressures in service areas will only be included in service budgets if they have previously been approved by members. Any additional spending requirements should be separately identify as bids/pressures during the budget process on the spreadsheets provided.

Grants and Subsidies

- 2.6. Only those grants and subsidies receivable in 2012/13 and notified by 31st December 2011 should be included in the draft budgets.
- 2.7. Any such income having ceased in 2011/12 must not be included in the 2012/13 estimates.

- 2.8 Where applications have been made for grants, etc, but no notification has been received, the matter must be referred to the relevant finance officer for guidance.

Other issues

- 2.9. Any specific issues relating to service areas where budget holders are uncertain as to the processes to be followed should initially be discussed with the appropriate finance officer or the Financial Services Manager who will provide the necessary guidance.

3. **2013/14 Projections**

April 2013 Pay Award and Pensions

- 3.1 The pay award due in April 2013 has yet to be negotiated. **The Projections for 2010/11 will include a 1% provision.**
- 3.2. The employer's superannuation contributions rate for 2013/14 is 23.9%. However, the next actuarial review is due on the 31st March 2013.

Inflation

- 3.3 There will be no general increase for inflation. Inflation will only be applied to meet contractual obligations.

Growth

- 3.4 Items which represent real growth in service areas will only be included in service budgets if they have previously been approved by Members.

4. **2014/15 Projections**

April 2011 Pay Award and Pensions

- 4.1 The pay award due in April 2011 has yet to be negotiated. **The Projections for 2014/15 will include a 1% provision.**
- 4.2. The employer's contributions rate for 2014/15 is provisionally set at 25.0%. However, the next actuarial review is due on the 31st March 2013.

Inflation

- 4.3 There will be no general increase for inflation. Inflation will only be applied to meet contractual obligations.

Growth

- 4.4 Items which represent real growth in service areas will only be included in service budgets if they have previously been approved by Members.