

## BUDGET PREPARATION FRAMEWORK 2004/5 – 2007/8

### PAY INFLATION

Salary calculations	3.5%
Employer's NI	No rate increases announced in Chancellor's budget 2003, increases therefore will be in line with pay inflation.
Superannuation	No rate increases for 2004/5.  Increases in rate from 2005/6 due to revaluation processes.

### NON PAY INFLATION

1. No across the board inflation increases.
2. Contractual inflation increases will be included.
3. NNDR/CT increases inflation increases in line with 2003/4 actual increase.

### EFFICIENCIES AND DEVELOPMENTS

1. All budget holders to identify 3% efficiency savings from budgets and pooled for development consideration.
2. Any shortfall on pay inflation will have first call on development pool.
3. Budget developments that support Business Plan and Best Value Review improvements can be identified that utilise balance remaining in pool.
4. At consolidation levels throughout hierarchy budget managers will be required to complete budget proposal summary similar to the example shown in Appendix 5.