



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

PROPOSED CAPITAL AND REVENUE BUDGETS 2010/2011 TO 2012/2013 and levels of Council Tax for 2010/2011

Report of the Chief Fire Officer

Agenda Item No:

Date: 19 February 2010

Purpose of Report:

To present the proposed budgets for 2010/2011 to 2012/2013 to the Fire Authority along with the recommendations of the Finance and Resources Committee with regard to Council Tax

CONTACT OFFICER

Name : Neil Timms
Head of Finance and Resources

Tel : 0115 967 0880

Email : neil.timms@notts-fire.gov.uk

**Media Enquiries
Contact :** Elisabeth Reeson
(0115) 967 5889 elisabeth.reeson@notts-fire.gov.uk

1. BACKGROUND

1.1 The Fire Authority meeting on 4 September 2009 set out a series of budget guidelines to inform the budget development process. These were:

- i) Continue to maintain a Capital Programme of approximately £5m on average in accordance with the sustainable capital plan.
- ii) Council Tax increases to be in the range 0% to 3% for 2010/2011 to 2012/13.
- iii) Any use of balances to be matched by planned reductions to take place in later years.
- iv) Existing budgets to be re-engineered where possible to take account of inflationary pressure.
- v) Estimates of costs for Firelink and Regional Fire Control to be produced as soon as possible and incorporated into budgets.
- vi) Finance and Resources Committee to identify and monitor opportunities for efficiency savings.

The priorities for budget development will be:-

- i) IRMP Outcomes
- ii) Financial Stability
- iii) Partnership Working
- iv) Equalities

1.2 Using this framework the Finance and Resources Committee met on 8th January 2010 to consider a range of options for the level of Council Tax and the budgetary implications for these. The Finance and Resources Committee decided to recommend an increase of 3% in the level of Council Tax to the Fire Authority.

1.3 The final budgets for 2010/2011 to 2012/2013 and the levels of precept and Council Tax are required to be set by a full meeting of the Fire Authority and this report seeks that approval.

2. REPORT

2.1 The following report recommends capital programmes over the three year period as follows:

	2010/2011	2011/2012	2012/2013
Transport	2,112,870	1,206,490	1,351,400
Property	4,287,763	2,417,750	2,299,000
ICT	288,000	319,000	212,000
Total	6,688,633	3,943,240	3,862,400

- 2.2 The figures for 2010/2011 include for slippage from the 2009/2010 programme of £2,023,000 primarily in relation to Carlton Fire Station rebuild costs which have been carried forward to 2010/2011. This is not therefore a breach of the guideline limit of a Capital Programme of about £5m.
- 2.3 The report recommends revenue budgets over the next three years as follows:

	£
2010/2011	48,131,984
2011/2012	48,596,164
2012/2013	49,069,663

Budgets for 2011/2012 and 2012/2013 are given as the amounts that can be afforded given the expected level of grants. They will in fact require budget reductions of the order of £857,000 and £200,000 in each of these two years for the budget to be balanced. This will be explained later in this report.

- 2.4 The Council Tax increases recommended are:

	%	Band D £'s
2010/2011	3.0	69.76
2011/2012	1.5	70.81
2012/2013	1.5	71.87

The level of grant for 2010/2011 has already been declared however grant for 2011/2012 and 2012/2013 is uncertain.

The Financial Context

- 2.5 This year has been another year of global financial turmoil, which has impacted to some extent on the Authority's finances. The trend of inflation has largely been downward and fears of deflation have only recently been alleviated. Bank base rates have collapsed making the prospect of earning interest on deposits more unlikely.
- 2.6 The global banking crisis has seen a number of Local Authorities get into difficulty with the collapse of Icelandic banks, however this Authority was unaffected due to having an extremely cautious Treasury Management Strategy. CIPFA have recently issued a new code of practice which supports the cautious position that Members have already adopted.
- 2.7 There is no requirement to budget for the levels of reserves or working balances to increase in 2010/2011 as any underspends from 2009/2010 will be transferred to balances.

- 2.8 As mentioned in 2.4 above, the Authority is in the third year of a 3 year settlement, which means that the amount of Revenue Support Grant (RSG) for 2010/2011 is known. A new settlement will be in place for 2011/2012 and beyond following the next Comprehensive Spending Review.

Look Forward for 2011/2012 and 2012/2013

- 2.9 The recession has left the public finances in the UK in a parlous state with falling tax revenues, the international banking crisis, and increasing demand for public services contributing to this. All indications are that whatever happens following the General Election in 2010 any incoming government is going to need to rein back on public expenditure significantly.
- 2.10 Predictions for Revenue Support Grant increases going forward are not optimistic and a decision has been taken therefore to try to avoid building into the 2010/2011 budget any unavoidable items which will generate ongoing commitments. This gives the budget a somewhat temporary feel for 2010/2011 but problems still begin to emerge in 2011/2012 and beyond.
- 2.11 If, as some analysts are predicting, grant increases are zero in 2011/2012 and 2012/2013 then there are potentially significant problems with the revenue budgets for those years with predicted budget shortfalls for each of those years that will have to be resolved. The preparation therefore of a balanced three year budget which will stand any test of reasonableness is impossible unless it is assumed that there will be support from balances which is only possible on a temporary basis.
- 2.12 What is clear however is that during the early part of 2010/2011 management will need to develop plans to secure budget reductions to bring the revenue budgets for 2011/2012 and 2012/2013 into balance.

Relationship to other plans and strategies

- 2.13 The development of plans for Revenue and Capital budgets cannot take place in isolation and clearly the key driver for the costs of the organisation is the Integrated Risk Management Plan (IRMP). The budget development process has been carried out in parallel with the development of the IRMP to ensure that resource allocation matches, as far as possible, the ambitions of the Authority expressed within the IRMP.
- 2.14 Other plans and strategies and the issues arising from them which directly inform the budget process are:

Transport Strategy

Size of fleet

Replacement policy

Maintenance

Property Strategy

Condition Surveys

Equalities objectives

Sustainable Capital plans

Environmental Impacts
Workforce Plan
Retirement profiles
Recruitment
ICT Strategy
Replacement policy
Medium Term Financial Strategy
Financial Stability
Sustainability
Balances and Reserves
Treasury
Risk

Consultation

- 2.15 The Authority set out budget proposals within the IRMP consultation which was far wider reaching than any consultation that has been carried out previously. Staff were positioned on shoppers car parks, markets etc. and responses were also received via the internet and from external stakeholders.
- 2.16 In terms of Council Tax increases figures of between 2.5% and 4.5% were consulted on as it was believed at the time that this would be the level required to run the service. Subsequent discussions and calculations in fact show that this can be done for significantly less than this due to falling inflation etc. Nevertheless even at these high levels the level of agreement with the proposals was exceptionally high with over 85% of respondents supporting this proposal. There were 226 responses received to the finance question on the consultation.
- 2.17 Comments against the proposal ranged from those who simply did not agree that Council Tax should be used to fund the fire service to those who wanted to see rises closer to the rate of inflation. Those in favour on the other hand ranged from those who thought that an annual rise in bills of about £2.50 was negligible to those who thought that the investment in property and equipment is there for all to see and represents money well spent.
- 2.18 Overall it can be concluded that respondents were happy to see their Council Tax rise by a reasonable amount provided that value for money is being secured.

Capital Plans 2010/2011

- 2.19 Initial Capital Plans for 2010/2011 have been rescheduled to take account of reduced revenue budget availability and the declared target capital expenditure sum of approximately £5m but at the same time have needed to take account of the condition of buildings and the outcomes of the IRMP. The proposed capital programme for 2010/2011 is therefore:

£

Transport	2,112,870
Property	4,287,763
IT and Comms	<u>288,000</u>
	6,688,633

- 2.20 The transport programme contains the replacement of four older Dennis appliances with new Scania vehicles at a cost of £1,103,980. In addition a number of specialist vehicles including two Rescue Tenders and a water rescue unit are to be purchased within the sum of £795,000.
- 2.21 The programme for light vehicles totals some £213,890 and includes the replacement of a number of light vehicles as well as vehicles for community safety and the Princes Trust. This is a budget that has been greatly reduced in an effort to reduce costs.
- 2.22 This budget does not include any amounts for the purchase of cars for officers under the provided car scheme. The costs of these vehicles will be directly met from savings in the revenue budget and therefore will have no effect on the budget.
- 2.23 The property programme includes the cost of major projects at Carlton (£3m including £1.6m slippage from 2009/2010), Tuxford (£680k), Mansfield former training centre (£360k), as well as a number of smaller items. This is part of the ongoing programme of upgrading, refurbishing and rebuilding the property portfolio in accordance with the sustainable capital plan.
- 2.24 The IT Capital programme is somewhat smaller than that for Transport or Property, reflecting to some degree both the limited capacity of the department and the fact that resources need to be available for the implementation of Firelink and the Regional Fire Control System. The most significant areas of expenditure are:

	£
Regional Finance System	49,000
Business process automation	25,000
Business Continuity	30,000
New Equipment	40,000
Replacement Equipment	90,000

- 2.25 It should be remembered that in terms of the revenue base, only those items which are new (rather than replacement) have any significant impact on the budget.
- 2.26 As mentioned above there are a number of property items that have been slipped into later years to "smooth out" the effects on the revenue budget. These include:

	£
Ashfield Fire Station Refurbishment	167,000
Worksop Fire Station (external works)	66,000
Worksop Fire Station (refurbishment)	550,000

Retford Fire Station (external works)	57,500
Bingham Barn refurbishment	169,000

Capital Plans 2011/2012 and 2012/2013

2.27 The capital plans for 2011/2012 and the following year are based around the same principles as set out in the 2010/2011 plan and summarise as follows:

	2011/2012	2012/2013
	£	£
Transport	1,206,490	1,351,400
Property	2,417,750	2,299,000
IT and Comms	<u>319,000</u>	<u>212,000</u>
	3,943,240	3,862,400

Revenue Budget Proposals 2010/2011

2.28 As part of the IRMP process the Authority consulted widely on proposals for Council Tax increases of up to 4.5%. These were generally regarded favourably, as set out above, although consideration must still be given to those people on fixed incomes. The Minister has recently written to the Chair of the Fire Authority issuing a warning that increases regarded as excessive will be subject to capping. Early indications are that 3% may be regarded as the ceiling although it is already known that a number of Authorities are planning to exceed this.

2.29 Initial budget workings showed that even with a target of 3.0% there were some demands that could not be accommodated, nevertheless balanced budgets can be achieved at between 1.5% and 3.0% without the need for cuts in services to be considered. Increases at less than 1.5% were considered to be more challenging but nevertheless the whole range was presented to the Finance and Resources Committee for their consideration.

2.30 The base budget for 2009/2010 is £46,329,813 and increasing this by £1,802,171 to £48,131,984 would require a Council Tax increase of approximately 3%.

2.31 The breakdown of this budget increase is as follows:

Narrative	Value £'s
Opening Base Budget	46,329,813
Admin and Support Staff Pay	-20,754
Operational Pay	-22,372
Pensions	49,127
Capital Financing	664,972
Car Allowances	-11,000
Community Safety	37,795
Contingency	614,781
Members	4,417
Staff Other	135,974

Reduced Income	76,952
Reduced Insurance Premiums	-13,303
Operational Equipment	153,250
Premises	140,123
Retained Pay	1,794
Supplies and Services	196,301
Transport	-36,277
Other	-119,192
Prince's Trust	-10,399
Trading Services	14,427
Retained Review	-54,445
Total	48,131,984

A full breakdown of these figures is given at Appendix A and a Cash Limit analysis is given as Appendix E.

Admin and Support Staff Pay

- 2.32 This figure is made up of the deletion of a post of healthcare assistant within Occupational Health which has been in the budget for a number of years and has been removed from the establishment.

Operational Pay

- 2.33 This budget takes account of the conversion of a Station Manager role within Health and Safety to a non-uniformed post.

Pensions

- 2.34 The largest part of this budget change relates to the reduction in the provision for ill health retirements however, this is offset by the correction of a budget assumption from 2009/2010 relating to migrations from the old pension scheme to the new scheme. Transferees invariably transfer in with their old scheme pensions intact.

Capital Financing

- 2.35 This is by far the largest element within the budget and is due almost entirely to the new requirements for the calculation of Minimum Revenue Provision (MRP). This is now set at 12 years for large vehicles, 5 years for ICT, 6 years for light vehicles and 50 years for property. As time goes on of course and the Authority becomes more mature in terms of the capital asset base this demand for MRP will gradually fall. Mindful of the impact of MRP on the revenue budget, the capital programme has been trimmed back as much as possible with non-essential projects being put off to future years. It is considered imperative however to maintain an active programme to ensure that the asset base does not deteriorate.

Car Allowances/Community Safety

- 2.36 The reductions in these budgets relate to a review of general base budgets in these areas plus the inclusion of £50,000 to support an anti social behaviour project.

Contingency

- 2.37 Contingencies are maintained primarily for pay awards which have been provided for at 1% of the pay bill across both uniformed and non-uniformed staff. This is in line with the government announcement within the pre-budget report in November 2009.

Members

- 2.38 This very modest budget change relates to the increase in the number of Members on the Standards Committee plus minor adjustments for inflation.

Staff Other

- 2.39 By far the largest element of this budget increase relates to the provision of staff training at the Fire Service College at Moreton-in-Marsh. Courses at the College are very expensive because they are residential but the rapid increase in the numbers of new station managers and the influx of new staff has necessitated an increase in this budget of over £150,000. Some economies have been made elsewhere but the level of this increase cannot be contained within existing budgets.

Income

- 2.40 The most significant reduction in income has been from the reduction in interest receivable (£170,000) due in part to the cautious approach adopted for Treasury Management but mainly to falling interest rates. This is offset in the budget at least by a similar amount being received in "New Burdens" grant from government (£136,000). There have been other small reductions such as the income received from cross border charging, which has never been achieved, and income from Fire Reports which has dwindled to nothing. Small increases have also been made for HQ catering, fire alarm receiving centre agreements and enforcement cost recovery.

Insurances

- 2.41 Some small reductions in insurance premiums have been achieved which simply reflects additional market pressure.

Operational Equipment

- 2.42 Operational equipment includes the following items of essential equipment:

Replacement thermal image cameras £20,000

Inner Cordon Equipment	£20,000
Improved respiratory protection	£20,000
Phase 1 BA cylinder replacement	£30,000
Equipment for Specialist Rescue	£15,000
Other PPE	£70,000
Video Cameras for evidence	£ 2,500
Equipment for RTC Training	£20,000
PPE Additional New Recruits	£ 3,750
Transfers from earmarked reserves	-£68,000

Premises

- 2.43 The budget increase of £140,123 relates almost entirely to the cost of rating revaluations across the estate and increased energy cost recharges for Central Fire Station. There is also £15,000 included for the costs of major drainage work to comply with new environmental standards at Central.

Retained Review

- 2.44 Members will be aware of the outcomes of the review of the Retained service. This has resulted in many changes in the way that the service is run but overall there is a resultant saving of £54,445.

Supplies and Services

- 2.45 This is a major heading which covers a wide range of items. The largest of these is the non-pay costs of Firelink for which S31 grant has been received (see above). There is a £50,000 budget for the costs of continued partnership working with the City Council and a further £20,000 to cover additional legal fees as a result of enforcement action. There are a large number of smaller items of expenditure and savings which make up the balance on this heading

Transport

- 2.46 There is an overall reduction in this budget although this hides an increase in maintenance costs of over £62,000. Reductions in vehicle modifications and accident damage repairs contribute towards the resultant budget reduction.

Other

- 2.47 This budget head really deals with two items, one being the accumulation of efficiency savings of £65,000 which is being applied to support the budget generally and £62,000 of temporary government grant.
- 2.48 The implementation of International Financial Reporting Standards (IFRS) with effect from 2010/11 is likely to impact upon the budget in a few key areas e.g. leasing. The Chartered Institute of Public Finance and Accountancy (CIPFA) has said that it is in discussion with the department for Communities and Local Government to ensure that any impacts on the

General Fund and therefore council tax can be minimised, if not avoided. Whilst the outcome of these discussions is not yet confirmed, the assumption made during the preparation of the budget is that no additional budget is required to deal with the impacts of IFRS.

Princes Trust and Trading Accounts

2.49 There is a small budget reduction in respect of the Prince's Trust which no longer requires budget support from revenue. Funds for the trust have been earmarked in the accounts in order that they are ringfenced for use by the trust. There is a small budget increase for the Trading Company but this is reflected elsewhere in respect of additional income.

Revenue Budget 2011/2012 to 2012/2013

2.50 The problems that emerge as the budget rolls forward beyond 2010/2011 depend to a large extent on the levels of Council Tax and grant that can be anticipated in future years. The budget workings carried out in the projected look forward include no development or service expansion at all. Pay awards are assumed to be at the government announced "capped" level of 1% however this would still leave a budget shortfall if government grant is held at 0% and a Council Tax limit of 1.5% is targeted.

2.51 One of the issues which will definitely fail to be addressed in some way is the actuarial shortfall in the firefighter's pension scheme. Despite assurances to the contrary the Government Actuaries Department (GAD) have recently issued a report which shows that Nottinghamshire's contribution to the scheme may need to rise by over £400,000 in 2011/2012.

2.52 It is a legal requirement to present a balanced budget for the coming year and it has been the usual practice to also balance the budget for the following two years. As explained in paragraph 2.11 above it has only been possible to meet the statutory requirement of presenting a balanced budget for 2010/2011. This is because the level of budget reductions required in 2011/2012 and 2012/2013 if grant levels are frozen and Council Tax increases remain low are so significant that it would be imprudent to speculate on the areas for budget reductions without considerable efforts by management to identify such reductions.

2.53 The targets identified within this budget paper are for reductions of £857,000 in 2011/2012 and £200,000 in 2012/2013.

Nevertheless the table below shows the proposed budget build up for 2011/2012 and 2012/2013 before these reductions are made:

Narrative	Value £'s	Value £'s
Opening Base Budget	48,131,984	48,596,164
Admin and Support Staff Pay	2,475	0
Operational Pay	-388	-522
Pensions	552,985	-80,086

Capital Financing	496,829	348,007
Car Allowances	0	0
Community Safety	1,000	0
Contingency	258,255	439,667
Members	1,128	1,139
Staff Other	-338	4
Increased Income	-189,016	-16
Insurance Premiums	35,208	0
Operational Equipment	109,000	-30,000
Premises	119,705	2,387
Retained Pay	16,656	3,785
Supplies and Services	-12,557	12,672
Transport	-91,292	41,126
Prince's Trust	0	0
Trading Services	-23,051	-22,866
Retained Review	5,000	0
Other – Inc Budget Shortfall	-857,419	-201,798
Total	48,596,666	49,069,663

The more significant items are described in the following paragraphs.

Pensions

- 2.54 The huge increase in the pensions burden relates entirely to the decision by the Government Actuaries Department to increase the employers contribution to the Firefighters pension scheme. It is not known yet how much of this, if any, will be met by increased employee contributions or whether there will be an employer contribution cap and therefore the full amount is provided for in this proposal.

Capital Financing

- 2.55 The burden of Capital Financing continues to rise as the Authority moves closer to its notional “credit ceiling” which was set out in the report regarding sustainable capital plans. This year on year increase will gradually taper off as the authority becomes more mature in its capital financing.

Contingency

- 2.56 This contingency is held primarily for pay awards which have been assumed to be held at 1% throughout the budget period. This is in line with the Government announcement within the pre-budget report in November 2009

Increased Income

- 2.57 The figure given for increased income relates entirely to the Section 31 grant to be received in respect of Firelink. The effect of this is “masked” to some extent by significant reductions in the Supplies and Services budgets which actually contain a significant additional cost for Firelink. In net terms

Firelink should not cost much more than the existing system however this will not be known until the actual charges are received.

Operational Equipment

2.58 This budget is made up of several items both reductions and additions. The primary additions are:

	£
Replacement Thermal Image Cameras	20,000
Protective Equipment	70,000
Replacement BA Cylinders	30,000

The largest reduction is £50,000 for equipment for the Specialist Rescue Team which will have already been provided during 2010/2011. There are then a number of smaller items such as Rope Rescue equipment which make up the balance.

2.59 As these projects complete the supporting budget can be removed hence the reduction in 2012/2013.

Premises

2.60 Primarily this relates to increases in the Rating valuations of premises generally but specifically for Carlton and Tuxford where properties are being significantly improved and extended. This explains why this additional requirement drops suddenly in 2012/2013.

Transport

2.61 This reduction takes account of the cyclical nature of blue light type installations on officers cars. The costs of these installations are already factored in to the provided car scheme and therefore this budget can be reduced in 2011/2012 albeit a small increase is sought in 2012/2013.

Other

2.62 This simply reiterates the problems that the organisation faces in 2011/2012 and beyond albeit using some fairly prudent assumptions. As mentioned above the budget reductions required are over £857,000 in 2011/2012 and a further £200,000 in 2012/2013. This will need to be carefully managed using a combination of budget cuts and reserves and balances to reach these lower budget targets over a short period.

Financing the 2010/2011 Revenue Budget

2.63 The proposed Revenue Budget of £48,131,984 will be financed by a combination of Revenue Support Grant, National Non-Domestic Rates (collectively referred to as Aggregate External Funding –AEF) and Council Tax.

- 2.64 Aggregate External Funding has been declared by government to be £25,009,684 which leaves a balance of £23,122,300 to be funded from Council Tax.
- 2.65 The Council Taxbase for 2010/2011 has been declared by the District and City Councils to be £331,444. This means that in order to raise £23,122,300 from Council Tax £69.76 per annum will need to be charged to each Band D Council Taxpayer.
- 2.66 It is proposed therefore that Council Tax is set as follows:

	£
Band A	46.51
Band B	54.26
Band C	62.01
Band D	69.76
Band E	85.26
Band F	100.76
Band G	116.27
Band H	139.52

- 2.67 These levels of Council Tax translate into the following precepts to be charged to each of the billing authorities:

Authority	Taxbase	Precept
Ashfield	35,102.04	2,448,799.27
Bassetlaw	35,991.63	2,510,859.12
Broxtowe	35,513.65	2,477,514.14
Gedling	38,090.16	2,657,257.42
Mansfield	31,493.90	2,197,087.10
Newark	38,902.65	2,713,938.59
Rushcliffe	41,012.00	2,861,091.71
City	75,338.00	5,255,752.65
	331,444.03	23,122,300.00

Comments of the Treasurer

- 2.68 Under Section 25 of the Local Government Act 2003, the Treasurer is required to report to the Authority on the following two matters:
- The robustness of the estimates made for the purposes of calculations; and
 - The adequacy of reserves.
- 2.69 The Treasurer is satisfied that, on the basis of the financial risk assessments, the working balances are adequate.
- 2.70 The Treasurer has been consulted fully concerning the build up and calculation of the budget, and is content that these have been prepared in an accurate and robust manner, such that the Authority will have adequate resources to discharge its responsibilities under various statutes and regulations.

2.71 A statement by the Authority Treasurer is included as Appendix C to this report.

3. FINANCIAL IMPLICATIONS

The financial implications are set out in the main body of this report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are a number of issues relating to HR and learning and development not least of which are including the increase in pension payments and the increase in learning and development budgets. Any future proposals for budget reductions may also have implications for HR.

5. EQUALITY IMPACT ASSESSMENT

An equality impact assessment has been carried out in respect of this report and is attached as Appendix D.

6. CRIME AND DISORDER IMPLICATIONS

There are no implications for Crime and Disorder in this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 There are a number of risks associated with this paper. Any budget settlement is based on a series of predictions and assumptions any of which could prove to be incorrect. Nevertheless the largest area of risk, being the Revenue Support Grant, is secure, at least for 2010/2011.
- 8.2 There are however significant risks associated with the grant settlements for 2011/2012 and 2012/2013 as referred to in the report. Management will need to adopt a robust approach to planning for budget reductions for these years.
- 8.3 There are always risks associated with predicting pay awards where a 1% variance can lead to increased costs of £150,000. It is considered however that the estimate that has been made is sensible and this is borne out by comparison with other services throughout the UK.

- 8.4 The management of such risks, once satisfied that the best estimates have been applied, relies on the cover provided by balances.

9. RECOMMENDATIONS

- 9.1 That Members approve the capital budgets for each of the financial years 2010/2011 to 2012/2013 as set out above.
- 9.2 That Members approve the revenue budgets for each of the financial years 2010/2011 to 2012/2013 as set out above, notwithstanding the issues around future budget reductions
- 9.3 That Members approve the levels of Council Tax for 2010/2011 as set out in Paragraph 2.66 above.
- 9.4 That Members approve the precept figure of £23,122,300 which will be applied to the whole of the City and District Council areas as general expenses.
- 9.5 That Members note that the precept for 2010/2011 will be collected from City and District Councils in accordance with their agreed taxbases with payments in equal instalments on dates agreed between financial officers.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

Frank Swann
CHIEF FIRE OFFICER

APPENDIX A

CAPITAL PROGRAMME 2010/11 TO 2012/13

	2009/10 Approved £	2008/09 Slippage £	2009/10 £	2009/10 Slippage to 2010/11 £	2010/11 £	2010/11 including Slippage from 2009/10 £	2011/12 £	2012/13 £
TRANSPORT								
Rescue Pump replacement programme	981,540	1,018,000	2,000,000		1,103,980	1,103,980	1,126,080	1,148,560
Special Appliances	155,000	197,000	352,000		795,000	795,000	0	0
Appliance CCTV Camera Systems	48,000	30,000	78,000					
Community Safety Outreach Vehicle		100,000	100,000					
Small vehicle replacement programme	362,790	43,000	405,790		213,890	213,890	80,410	202,840
	1,547,330	1,388,000	2,935,790	0	2,112,870	2,112,870	1,206,490	1,351,400
PROPERTY								
Station Improvements & Refurbishments								
Highfields Fire Station	118,000		118,000					
Southwell Fire Station Phase 2	292,000		262,000		10,750	10,750	0	
Mansfield Station former BTS	320,000		300,000	300,000	60,000	360,000		
East Leake Fire Station	21,300				9,700	9,700	0	
Blidworth Fire Station	18,000				20,000	20,000	360,000	
Misterton Fire Station Refurbishment	320,000		300,000		11,800	11,800	0	
Stockhill Fire Station Roof & BA Prep Room	83,000		75,000		3,250	3,250	0	
HQ Occupational Health					22,000	22,000		
Tuxford Fire Station	340,000		300,000	215,000	465,000	680,000	0	
Newark Fire Station						0	0	132,000
Bingham Barn		148,000	148,000		0	0	0	
Arnold FS Refurbishment						0	475,000	6,000
Bingham Fire Station Refurbishment						0	385,000	11,000
Strategic New Build Projects								
Major Rebuilds - Carlton (include fees at this point in time)	1,750,000		1,825,000	1,400,000	1,660,000	3,060,000	90,000	
Sale of Carlton House Carlton Project - other costs			40,000		-100,000	-100,000		
Hucknall Fire Station (include fees at this point in time)	-				0	0	1,000,000	1,000,000
Central (include fees at this point in time)						0		500,000
New build Retained Station TBC (possibly Retford)						0		600,000

**CAPITAL PROGRAMME
2010/11 TO 2012/13**

	2009/10 Approved £	2008/09 Slippage £	2009/10 £	2009/10 Slippage to 2010/11 £	2010/11 £	2010/11 including Slippage from 2009/10 £	2011/12 £	2012/13 £
Estate Wide Projects								
Fixtures & Fittings	40,000				40,000	40,000	50,000	50,000
Battery Chargers 110 volt		15,000	15,000			0		
Battery Chargers 24 volt upgrade	-		-		45,000	45,000		
Fuel Tanks		52,000	52,000			0		
Retentions 2.5% of total capital expenditure	78,500		80,000		45,263	45,263	57,750	
Professional Fees			191,000	80,000		80,000		
	3,380,800	215,000	3,706,000	1,995,000	2,292,763	4,287,763	2,417,750	2,299,000
EQUIPMENT								
Specialist Rescue Equipment	0	30,000	30,000		0	0	0	0
	0	30,000	30,000	0	0	0	0	0
IT. & COMMUNICATIONS								
HR System Upgrade	60,000	58,000	118,000				107,000	
Business Continuity & Disaster Recovery	75,000	85,000	160,000		30,000	30,000	30,000	30,000
Information Systems Development	17,000	-	17,000		0	0		
Mobile Computing	15,000	143,000	158,000	28,000		28,000		
FireLink Add Ons	-	90,000	90,000		0	0	0	0
Business Expansion	40,000	-	40,000		40,000	40,000	40,000	40,000
Replacement Equipment	150,000	-	150,000		90,000	90,000	90,000	90,000
Business Process Automation	-	128,000	128,000		25,000	25,000	25,000	25,000
Regional Finance System	150,000	-	150,000		49,000	49,000	0	0
CFRMIS Ops intel Database - Software					16,000	16,000	0	0
CFRMIS Ops intel Database & Handheld Devices- Hardware					10,000	10,000	27,000	27,000
	507,000	504,000	1,011,000	28,000	260,000	288,000	319,000	212,000
	5,435,130	2,137,000	7,682,790	2,023,000	4,665,633	6,688,633	3,943,240	3,862,400

Memorandum Note:

The capital grant due in 2009/10 and 2010/11 plus the expected capital receipt from the sale of Dunkirk Fire Station have been taken into account when calculating the revenue implications of financing the capital programme.

APPENDIX B

Detailed Revenue Budget Changes for 2010/2011			
General Heading	Detail	Amount	Summary
Admin and Support Pay	Healthcare Assistant	-22,845	
	Misc	2,091	
			-20,754
Operational Pay	Post conversion in H&S	-23,470	
	NI	1,098	
			-22,372
Pensions	Savings re revised assumptions on ill health etc.	-144,374	
	Injury Allowances	20,138	
	Non-Uniformed Pension Increase	20,640	
	Movement between schemes	151,793	
	Other	930	
			49,127
	RDS Superannuation	1,794	1,794
Capital Financing			
	Capital	664,972	664,972
Car Allowances			
	Trainee Travelling	-11,000	-11,000
Community Safety			
	Schools	-12,000	
	Anti Social Behaviour Project	50,000	
	General	-1,205	
	Museum	1,000	37,795
Contingencies			
	Admin & Support pay	144,519	
	JE Contingency	10,000	
	Control Pay	-12,099	
	Nonpay inflation contingency	-32	
	RDS Pay	34,438	
	Wholetime Pay	437,955	
			614,781
Members			
	Allowances and Expenses	4,417	4,417
Employees Other			
	Staff Suggestion Scheme	10,000	
	Employee Benefits Scheme	-8,000	
	Training	137,950	
	Prof subscriptions	1,351	
	Other	-5,327	
			135,974

Income	Firelink New Burdens grant	-136,000	
	Loss of income re Fire Reports	2,500	
	Eliminate Cross Border income budget	15,000	
	Eliminate Special Service Charges income budget	20,181	
	Eliminate environmental recharge income	16,400	
	Reduce interest receivable budget	170,000	
	Catering income	-1,332	
	Premises income	1,803	
	Fire Alarm agreement licences	-6,600	
	Recovered costs of enforcement cases	-5,000	76,952
Insurance	Savings on premium	-13,303	-13,303
Operational Equipment	L&D equipment for RTC training	20,000	
	PPE New recruits	3,750	
	Op equipment: earmarked reserves to fund	-68,000	
	Replace Thermal Image cameras	20,000	
	New equipment for SRT, rescue from confined spaces	15,000	
	Inner Cordon Equipment	20,000	
	BA Cylinders 3 year replacement	30,000	
	SRT Equipment	20,000	
	Improvement of respiratory protection	20,000	
	Other PPE	70,000	
	Video Cameras for court evidence	2,500	153,250
Premises	Business rates revaluation	85,861	
	Revenue impact of capital refurbishment	7,219	
	Increased costs re Central Fire Station recharge (energy)	21,480	
	Various minor amendments	3,232	
	Drainage System improvements (environmental)	15,000	
	Repairs & maintenance	7,331	140,123
RDS Review	Savings in RDS Community Safety work (pay)	-74,852	
	1 CM instead of FF per RDS Station (pay)	20,000	
	Disestablishment of RSOs & RLMs (pay)	-52,513	
	PDR management system	7,920	
	Events for RDS Employers	5,000	
	RDS HSC Operatives (pay)	33,649	
	RDS HSC Operatives (vehicle costs)	6,351	-54,445
Supplies & Services	Firelink Net Costs – nonpay	83,589	
	Communications – licences & purchases	-1,250	
	IT licences general	19,060	
	Ops Intel database CFRMIS ongoing cost	3,200	
	Fixed Asset System ongoing cost	2,000	
	Occupational Health system ongoing cost	3,000	
	Development of fleet management system	6,000	
	PDR Management system	16,280	
	HSC handheld devices ongoing cost	4,000	

	IT minor purchases	-12,000	
	Skid car frame (L&D)	26,000	
	Increased costs re Highfields Station	6,500	
	Savings re publicity	-11,138	
	Savings on maintenance of fitness equipment	-18,542	
	Contribution to partnership working - Risk response	50,000	
	Net additional costs of Pos awaydays	1,449	
	Equalities - Victoria Cup sponsorship	8,500	
	Cross Border Charges (expenditure)	19,000	
	Savings on hydrant maintenance installation	-18,650	
	Procurement of specialist tax advice	5,000	
	Legal fees re Fire Protection enforcement	20,000	
	Treasury Services	-2,094	
	Audit Fees	6,084	
	Catering Charges	2,124	
	Savings on office equipment	-8,000	
	Enhanced CRB checks - legal requirement	7,800	
	Savings in Community Safety	-7,133	
	Equalities subscriptions	1,000	
	Saving in public consultation	-10,000	
	Various Miscellaneous	-5,478	196,301
Transport			
	CFO European work	2,500	
	Fleet Maintenance	62,450	
	Fuel	9,179	
	Fleet Accidents & repairs	-44,100	
	Fleet modifications	-38,500	
	Purchase of vehicle equipment	-46,775	
	Pos blue light installation	19,705	
	Various Miscellaneous	-736	-36,277
Other	Efficiency Savings	-65,043	
	Other	7,960	
	Surplus on Collection / Govt Grant	-62,109	-119,192
Princes Trust			
	Transport	1,000	
	Transfer to earmarked reserves	59,311	
	Income	-63,150	
	Training Princes trust	-7,500	-10,339
Trading Company			
	Transport	-6,313	
	Supplies & Services	-19,264	
	Premises	76	
	Income	37,098	
	Misc	1,892	
	Car Allowances	938	14,427
Total	Increase in Council Tax 3.0%	1,802,171	1,802,171

NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE AND RESCUE AUTHORITY

STATEMENT BY AUTHORITY TREASURER

Under Section 25 of the Local Government Act, the Treasurer is specifically required to report to the Authority on the following two matters:

- The robustness of the estimates made for the purposes of calculations ; and
- The adequacy of reserves and working balances.

I have consulted with the Head of Finance and Resources and note that the required level of working balances as calculated using the risk assessment methodology has now been achieved. I am therefore satisfied that, on the basis of those risk assessments, the proposed level of balances is adequate.

Reserves are held for specific purposes, and include amounts for Unapplied LPSA Reward Grant, The Community Safety Fund, Pensions, Operational Equipment and Environmental Schemes.

I have also been consulted fully concerning the build up and calculation of both the Revenue and Capital budgets and am content that these have been prepared in an accurate and robust manner such that the Authority will have adequate resources to discharge its responsibilities under various statutes and regulations.

Peter Hurford CPFA B.Soc.Sc
Fire and Rescue Authority Treasurer

INITIAL EQUALITY IMPACT ASSESSMENT

Initial Equality Impact Assessment Questionnaire

This questionnaire will enable you to decide whether or not the new or proposed policy or service needs to go through a full Equality Impact Assessment.

Title of policy or service: PROPOSED CAPITAL AND REVENUE BUDGETS 2010/11 TO 2012/13 and levels of Council Tax for 2010/2011						
Name of Employee completing assessment: Neil Timms				Department and Section: Finance and Resources		
1. State the purpose and aims of the policy or service. <i>This should identify “(the legitimate) aim” of the policy or service</i>						
To set the budget for the three years commencing 2010/2011 and to set the Council Tax for 2010/2011.						
2. Who is responsible for implementing it? The Fire Authority						
3. Who is likely to be disproportionately affected by the proposal? People from which of the equality strands? (please tick)						
Age	Disability	Family Status	Gender	Race	Sexual Orientation	Religion or Belief
X	X	X	√	√	X	X
4. If no boxes are ticked – there is no need to continue the EIA						
5 If 1 or more boxes are ticked, describe how these groups are likely to be affected:						
Overall there will be an effect on equalities generally due to the specified objectives of the budget set out in Paragraph 1.1 above. This indicates continued support for all of the Service’s equalities initiatives around both recruitment and service delivery. Specifically additional funds have been made available to support the Victoria Cup (a Womens football event) a subscriptions to the Asian Fire Services Association and a significant broadening of equalities training.						
6. Identify the individuals and organisations that are likely to have an interest in, or be affected by the policy or service. <i>This should identify the persons/organisations who may need to be consulted about the policy or service and its impact.</i>						
None specifically						
7. Has consultation (with managers, employees, TUs etc) on the policy or service been undertaken?				Yes		
8. If yes, set out who has been consulted and any agreements and/or concerns identified:						
See Paragraph 2.15 onwards						

9. Has monitoring been undertaken?			No
10. What does this monitoring show?			
11. If no to Q9, has a monitoring system been established to check for impact on equality strands?			No
12. Other comments:			
13. Taking into account the information gathered to date, does the policy or service have a different impact on any equality group? Please identify:			
No Impact	Positive Impact	Negative Impact	Impact Not Known
	√		
14. If No Impact or Positive Impact box is ticked there is no need to continue the EIA. If Negative Impact or Impact not Known is ticked, please proceed to full assessment.			
15 Proceed to Full Equality Impact Assessment			No
16. What are your reasons for your decision?			
Impacts are small and positive.			

1st Authorising signature (Completing Employee/s)

Neil Timms.....

Date:1st February 2010.....

Once completed and authorised, please send copy of this form to the Equality and Diversity Officer.

2nd Authorising Signature (Equality and Diversity Officer)

.....

Date:

Cash Limited Revenue Budget 2010/2011

DESCRIPTION	Opening Budget for 2009/10	Virements		Pay Contingencies		Revised Estimate	Reversal of Temps	Base Budget for 20010/11	Policy for 2010/11	Inflation	Opening budget for 2010/11
	OB0001	Temp	Perm	PYE	FYE		Temp				
		TV0001	PV0001	PC0001	FC0001		TV0001				
WHOLETIME OPERATIONAL PAY	23,607,419	637,500	81,275	0	224,163	23,275,357	637,500	23,912,857	163,070	0	24,075,927
PART TIME OPERATIONAL PAY	3,440,471	110,500	0	0	0	3,329,971	110,500	3,440,471	-105,571	0	3,334,900
CONTROL STAFF	1,067,003	0	0	0	0	1,067,003	0	1,067,003	0	0	1,067,003
ADMIN & CLERICAL	4,907,034	-67,140	115,029	1,905	247,297	5,204,125	67,140	5,271,265	-93,754	0	5,177,511
OTHER EMPLOYEE EXPENSES	692,666	51,300	-46,700	0	0	697,266	-51,300	645,966	164,260	6	810,232
PENSION COSTS	919,856	0	0	0	0	919,856	0	919,856	-118,571	15,905	817,190
PREMISES	1,850,817	190,500	30,890	0	0	2,072,207	-190,500	1,881,707	140,287	0	2,021,994
OPERATIONAL EQUIPMENT	658,997	34,500	500	0	0	693,997	-34,500	659,497	153,750	0	813,247
OTHER SUPPLIES AND SERVICES	3,672,273	175,795	117,399	0	0	3,613,877	175,795	3,789,672	107,202	0	3,896,874
TRANSPORT	2,131,068	0	-16,085	0	0	2,114,983	0	2,114,983	-46,008	9,179	2,078,154
SUPPORT SERVICES	537,596	89,500	-32,310	0	0	594,786	-89,500	505,286	32,118	3,990	541,394
CAPITAL FINANCING	2,003,905	250,000	0	0	0	2,253,905	-250,000	2,003,905	710,530	0	2,714,435
DEMOCRATIC COSTS	161,285	0	0	0	0	161,285	0	161,285	-2,000	6,417	165,702
INCOME	-1,016,213	0	0	0	0	-1,016,213	0	-1,016,213	30,663	0	-985,550
CENTRAL	-10,891	375,135	-23,000	0	0	341,244	-375,135	-33,891	70,202	0	36,311
CONTINGENCIES	1,706,527	0	226,998	-1,905	471,460	1,006,164	0	1,006,164	396,547	163,949	1,566,660
							0				
TOTAL (SUM OF ABOVE)	46,329,813	0	0	0	0	46,329,813	0	46,329,813	1,602,725	199,446	48,131,984