



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

BUDGET PROPOSALS FOR 2016/2017 TO 2018/2019 AND COUNCIL TAX 2016/2017

Report of the Chief Fire Officer

Date: 26 February 2016

Purpose of Report:

To present the Fire Authority with proposals for Revenue and Capital budgets for 2016/2017 to 2018/2019 to allow Members to determine the level of Council Tax for 2016/2017.

CONTACT OFFICER

Name : Sue Maycock
Head of Finance

Tel : (0115) 967 0880

Email : sue.maycock@notts-fire.gov.uk

**Media Enquiries
Contact :** Therese Easom
(0115) 967 0880 therese.easom@notts-fire.gov.uk

1. BACKGROUND

- 1.1 At its meeting on 16 January 2016 the Finance and Resources Committee considered a report from the Chief Fire Officer setting out the latest budget position based on the provisional grant settlement and the indicative position with regard to Council Taxbase.
- 1.2 The Finance and Resources Committee was asked to consider two options for Council Tax and make recommendations to the full Fire Authority. This report sets out the implications of the option selected by the Finance and Resources Committee at its January meeting.
- 1.3 The budgetary position presented to the Finance and Resources Committee has been updated for the final figures for taxbase and surplus on Collection Fund and includes a statement by the Authority's Treasurer in relation to the robustness of estimates and the adequacy of reserves and balances as required by S25 of the Local Government Act. Final figures for Revenue Support Grant and Business Rates Top-up Grant were received as part of the final finance settlement and these were the same as the provisional figures received in December 2015.
- 1.4 The Fire Authority is required to set a precept before 1 March 2016 and notify this to the billing authorities.

2. REPORT

CAPITAL BUDGET PROPOSALS 2016/2017 TO 2018/2019

- 2.1 The Authority maintains a sustainable Capital Programme that has been planned out over an extended period. This programme seeks to replace appliances and vehicles when they are approaching the end of their useful life, maintains a rolling programme of ICT replacements and a property programme that will both ensure that property remains fit for purpose, is appropriately located and can be contained within the internal capacity of the organisation to complete.
- 2.2 The programme is set out for the next three years and reflects proposed new expenditure. Actual expenditure in each year may also be increased by slippage approved by the Fire Authority to be carried forward from the prior year.

The proposed Capital Programme for 2016/2017 to 2018/2019 is therefore as follows:

Capital Programme Item	2016/17 Proposed	2017/18 Proposed	2018/19 Proposed
	£	£	£
Appliance Replacement (3-3-3)	907,435	908,155	908,905
Special Appliances	51,800	0	0
Appliance Equipment	25,650	0	0
Light Vehicle Replacement	173,346	353,538	407,380
Transport Total:	1,158,231	1,261,693	1,316,285
Special Appliances Equipment (Holmatro)	157,000	0	0
BA Sets	0	700,000	0
Equipment Total:	157,000	700,000	0
Feasibility Studies Station design	22,500		
Fire Station Project	325,000	2,350,000	75,000
Property Total:	347,500	2,350,000	75,000
ICT Capital Programme	140,000	140,000	140,000
Mobile Computing	20,000	20,000	0
Business Process Automation	95,450	0	0
ICT Total:	255,450	160,000	140,000
Agresso Upgrade	35,000	0	0
Tranman Software	11,000	0	0
IT Systems Total:	46,000	0	0
Total Capital Programme:	1,964,181	4,471,693	1,531,285

- 2.3 The rescue pump renewals programme assumes that three appliances will be replaced each year - this is a working assumption based on current fire cover arrangements. The Authority currently has a contract for rescue pump replacement procured jointly with Derbyshire Fire and Rescue Service.
- 2.4 The special appliances budget covers two activities: firstly the procurement of a new body for an existing chassis to create a general purpose lorry and back-up vehicle for the Operational Support Unit. This will allow for the disposal of two smaller vehicles; secondly the provision of updated radio and mobile data ICT equipment in two existing special appliances.
- 2.5 The light vehicle programme has been virtually suspended during recent restructures and the lives of vehicles have been extended where possible. This was to avoid purchasing vehicles which may not have been required going forward. A review of light vehicle usage and requirements is currently underway, but it is expected that there will need to be an element of “catch up” with vehicle procurement. New station vehicles are planned to be purchased in the first year of the programme.
- 2.6 The equipment programme is for the replacement of Holmatro rescue equipment hoses and pumps next year and the replacement of breathing apparatus in 2017/2018 when the current provision reaches the end of its life.

- 2.7 The property programme allows for one fire station to be re-built during the three year period, together with a feasibility study to prepare for the next project. The budget has been phased such that design, project planning and tendering will take place in 2016/2017 with construction of a new station throughout all of 2017/2018 and finishing in the final year. The actual station selected for rebuild or refurbishment will depend on other factors and actual project proposals will be brought back to the Finance and Resources committee. This budget sets aside the resources to continue with the Authority's sustainable capital programme which will ensure that all property assets remain fit for purpose over time.
- 2.8 The ICT programme has been pared back and now contains budget to replace items by way of a rolling programme and provision for the general expansion of ICT usage across the organisation. The business automation project will allow for the development of improved and more efficient ICT processes within the Service.
- 2.9 Two IT systems will require upgrades: the Agresso finance and procurement system and the Tranman transport system.
- 2.10 The Chair of the Finance and Resources Committee spent the day with capital budget holders on 3rd November 2015, going through the capital programme plans and their revenue implications.

REVENUE BUDGETS 2016/2017 TO 2018/2019

- 2.11 The budget report presented to the Fire Authority in February 2015 detailed a revenue budget requirement of £42.6m for 2016/2017. It was estimated at this time that this would result in a budget deficit of between £2.3m and £2.7m for that year, and that there would continue to be a budget deficit going forward although this was based on assumptions about future funding levels. During this year's budget process further savings have been driven out and in December 2015 the Fire Authority approved a number of measures which would result in a reduced budget requirement over the next three years.
- 2.12 Detailed budgets have been prepared for the three years 2016/2017 to 2018/2019. A broad outline estimate of the budget requirement for 2019/2020 has also been prepared to give a budget requirement for each of the next four years. A number of key assumptions have been made in drawing up these budgets including assumed pay awards of 1% per annum for all groups of employees. The budget for 2016/2017 was finalised at the end of January 2016, when the surplus on Collection Fund and Taxbase were confirmed by the billing authorities.
- 2.13 The base budget for the current year 2015/2016 is £41,782,731. The budget process has resulted in a number of proposed changes to this position, and these are summarised in the following table for each of the next three years (a more detailed breakdown is given in Appendix C):

Changes to Budget Requirement		2016/17	2017/18	2018/19
		£000's	£000's	£000's
Base Budget Previous Year		41,783	41,295	42,156
Pay and Inflation				
	Pay awards, increments, job evaluation	430	439	335
	Bank holidays	-141	18	-87
	Increase in Retained	325	239	80
	Pay assumptions	112	29	-5
	NI End of Contracting Out	518		
	Inflation: non-pay	23	26	12
Growth				
	Work Proposals - various	233		5
	Short term project work	185		
	Unavoidable increases	196	63	30
	Princes Trust	194		
	Remove Section 31 Grant Business Rates Retention		118	
Savings		-719	-89	-19
Capital Financing		167	439	142
Restructuring				
	Fire Protection Conversions	-15	-67	-4
	Specialist Rescue	-818		
	Contribution to earmarked reserve to fund SRT reduction in posts in advance of natural turnover	350	-350	
	Flexi SMs	-234		
	Support Staff various	-155		14
	Strategic Team Restructure	-81		
	Enhanced Crewing - deletion of 10 posts	-387		
Adjustment to Reserves - eliminate contribution 2015/16		-570		
Additional Surplus on Collection Fund		-128		
Miscellaneous minor adjustments		27	-4	2
Net Changes in Year		-523	862	504
Proposed Base Budget (Budget Requirement)		41,295	42,156	42,660

- 2.14 Pay awards in the above table are assumed to be at 1% for the next three years, in line with the government's previously announced target for public sector pay. As well as the pay award, this line includes incremental progression for administrative and support employees, as well as progression from development pay rates for operational employees. Where pay for posts has increased as a result of job evaluation, this is built into the budget as an on-going cost.
- 2.15 The number of bank holidays in each financial year can change depending on when Easter falls. This can have a significant impact on costs as operational and Control employees are required to cover bank holidays, and this is reflected as a budgetary change.

- 2.16 Members will be aware from previous reports that an aim over the past year has been to improve the recruitment and retention of Retained employees, to increase availability and cover, and savings achieved elsewhere in the budget have been diverted to the Retained pay budget to help absorb this increased cost.
- 2.17 Pay assumptions are adjusted each year based on experience and take account of factors such as employees either opting out of pension schemes or, in the case of operational employees, transferring between pension schemes. The introduction of the single tier flat-rate state pension from April 2016 will bring an end to the National Insurance rebate in respect of employer costs for employees in the Service's occupational pension schemes, and this will result in an increased cost of £518k to the base budget in 2016/2017.
- 2.18 There are a number of other growth areas within the budget, although these have been kept to a minimum given the reduced funding levels faced by the Authority. Proposals for new projects and initiatives total £233k in 2016/2017 and these are listed in detail in Appendix C. The most significant of these relate to the purchase of personal protective equipment for the increased number of Retained employees, and the organisational development agenda which seeks to enable the Service to move forward positively in a period of great change.
- 2.19 The addition of £185k to the 2016/2017 base budget recognises that with a contracting pay budget and less employees the Service still needs to allocate sufficient resources to key projects to ensure that they are implemented successfully. Examples of this are the Emergency Services Mobile Communications Project (ESMCP), the move to the Public Services Network and activity to support the Sustainability Strategy for 2020 (reported elsewhere on this agenda).
- 2.20 The unavoidable increases, which total £196k for 2016/2017, include £98k for the increased costs of the FireLink communications contract; a £52k contribution towards the setting up of a regional team to administer the Tri-Service system; £21k of additional budget required to fund the on-going costs of recent ill-health retirements.
- 2.21 The increased cost of £194k to support the Princes Trust activity follows a report to the Policy and Strategy Committee in January 2016, where it was approved that this funding be put in place for 2016/2017. This represents a budgetary cost of £150k plus £44k to eliminate a contribution from reserves previously used to balance the activity's budget.
- 2.22 Savings have been proposed by Budget Managers during the budget process and these are listed in full in Appendix C. These total £719k for 2016/2017.
- 2.23 Capital financing budgets have been re-assessed to reflect the proposed capital programme outlined in paragraph 2.2 as well as slippage from previous years. Increases in this budget in recent years have been relatively low due to

the use of reserves to either finance capital expenditure directly or to fund a voluntary revenue provision charge as a way of reducing future charges. There will now be a sharper increase in costs, particularly in the 2017/2018 financial year and this reflects the Authority's requirement to continue to replace and improve its assets.

- 2.24 Restructuring initiatives in the table in paragraph 2.13 total £1,340k and all of these have already been approved by the Fire Authority so are not explained in any further detail. Appendix C shows that within this total there is an offsetting cost of £350k which is a contribution to earmarked reserves in the year to support the operational pay budget during the year whilst the natural turnover of employees brings the establishment down to the level approved by the Authority in December 2015. This is a one-off cost which is removed from the base budget in 2017/2018.
- 2.25 There are two other adjustments to the base budget: firstly the removal of the contribution to General Reserves approved by the Authority last February for the 2015/2016 revenue budget, a reduction of £570k; secondly the Collection Fund surplus notified by the billing authorities has increased by £128k to £421k so this is a reduction of £128k to the budget.
- 2.26 The budget requirement for 2016/2017 has been amended following the report to the Finance and Resources Committee in January for three reasons:
- 2.26.1 The surplus on the Collection Fund was confirmed by the billing authorities as £420,750 for 2016/2017, which represents an additional £128,400 of income to the revenue budget. There is a trend of increasing overall surpluses in recent years, however this income cannot be guaranteed from year to the next;
- 2.26.2 The insurance renewal tender process has recently completed and the result of this is that savings of £90k will be made on next year's motor insurance premium.
- 2.26.3 Section 31 grant relating to non-domestic rates was confirmed by the billing authorities as £35k less than the equivalent grant for 2015/2016.
- 2.27 Appendix D gives a full Cash Limit budget for 2016/2017 as well as indicative budgets for 2017/2018 and 2018/2019.

FINANCING THE BUDGET

- 2.28 The Authority primarily receives income from Revenue Support Grant, Business Rates and Council Tax. The government announced the final settlement figures on 8 February 2016 covering the next four years, with an offer to local authorities that the settlement figures for the whole period will remain largely unchanged if authorities make an application for a four year settlement and "formulate ways to translate this greater certainty into efficiency savings". The deadline for making such an application is 14 October 2016,

however further detail on the application process has not been published as yet. Once there is more clarity about this, a recommendation will be brought to the Fire Authority by September 2016 at the latest. The final settlement provided transitional grant to assist those authorities with the sharpest reductions in funding in the first two years of the settlement period, however this Authority has not been a beneficiary of this grant.

- 2.29 It should be noted that there is a degree of uncertainty around the future funding regime in that the government has declared that business rates will ultimately become fully retained locally and revenue support grant will end. There will also be a review of the funding formula to reflect this change and this will determine how the transition to the new regime will be funded. In addition, responsibility for fire and rescue has transferred from the Department for Communities and Local Government to the Home Office and currently the implications of this on how the function will be funded in the future are unclear.
- 2.30 The table below shows the government's settlement figures for the next four years. The figures for 2016/2017 are confirmed, however the figures for the following three years remain provisional.

	2016/2017 £	2017/2018 £	2018/2019 £	2019/2020 £
Revenue Support Grant	8,867,336	6,978,641	5,961,472	5,335,309
Business Rates Assumption	3,449,016	3,462,187	3,564,324	3,678,246
Top Up Grant	6,531,053	6,659,508	6,855,969	7,075,098
Total External Funding	18,847,405	17,100,336	16,381,765	16,088,653

The reduction in external funding between 2015/2016 and 2019/2020 amounts to almost 21%.

- 2.31 The government announced, within the finance settlement, that the council tax increase threshold, above which a referendum would be triggered, would remain at 2%. No council tax freeze grant is being offered to authorities who maintain council tax next year at current levels.
- 2.32 The following table brings together the budget requirement and the finance settlement figures and presents the position for the Authority if there was no change to the level of council tax in each of the four years:

	2016/2017 £	2017/2018 £	2018/2019 £	2019/2020 £
Total External Funding	18,847,405	17,100,336	16,381,765	16,088,653
Budget Requirement	41,294,863	42,156,011	42,659,954	43,171,873
Balance to be met locally	22,447,458	25,055,675	26,278,189	27,083,221
Council Tax Yield*	21,922,426	22,196,456	22,496,108	22,799,806
Budget Shortfall (Cumulative)	525,032	2,859,219	3,782,081	4,283,415

*Assumes a rise in tax base but no rise in Council Tax

The above figures show that a budget deficit of £525k will need to be eliminated in order for the Fire Authority to approve a balanced budget for 2016/2017. Even when this has been achieved, there will be a requirement to find further savings of approximately £3.7m by 2019/2020 (savings of £4.3m in total).

- 2.33 A council tax increase of 1% would generate additional funding of £218k, and a 1.95% increase would realise a total of £427k in 2016/2017.
- 2.34 The Finance and Resources Committee in January unanimously agreed to recommend a council tax increase of 1.95% to the Fire Authority. An increase of 1.95% in 2016/2017 only, with no change in council tax assumed for the following three years would have the following effect.

	2016/2017 £	2017/2018 £	2018/2019 £	2019/2020 £
Total External Funding	18,847,405	17,100,336	16,381,765	16,088,653
Budget Requirement	41,294,863	42,156,011	42,659,954	43,171,873
Balance to be met locally	22,447,458	25,055,675	26,278,189	27,083,221
Council Tax Yield*	22,349,132	22,628,497	22,933,981	23,243,590
Budget Shortfall (Cumulative)	98,326	2,427,179	3,344,208	3,839,631

*Assumes a rise in tax base and a 1.95% increase in Council Tax in 2016/2017 only, with no Council Tax increases in the following years.

- 2.35 The two advantages of implementing a council tax increase in 2016/2017 are that: firstly it adds funding permanently into the base budget and secondly it reduces the budget deficit by £427k in 2016/2017. This would still leave the Authority with budget savings of £98k to find in order to approve a balanced budget as required by law, and the Finance and Resources Committee in January agreed to recommend that the remaining deficit in 2016/2017 be financed from general reserves. This would require the Chief Fire Officer to bring back to the Authority proposals to deal with both the on-going deficit which arises in 2016/2017, as well as the budget deficits forecast for future years.

IMPACT ON BALANCES

- 2.42 Members will be aware that the authority holds reserves and balances and that the level recommended for 2016/2017 following the risk assessment is £3.845m. The following table shows the effect on general reserves if the budget shortfalls going forward are not addressed.

	2015/2016	2016/2017	2017/2018	2018/2019
	£	£	£	£
Opening Reserves Balance	6,535,000	6,786,000	6,777,674	4,350,495
Increase in Reserves due to planned budget surplus	341,000	0	0	0
Contribution from Reserves to balance budget	0	-98,326	-2,427,179	-3,344,208
Closing Reserves Balance	6,876,000	6,777,674	4,350,495	1,006,287

This table shows that by 2018/2019 the Authority would be operating with a level of general reserves significantly below the current risk assessment of the minimum level required. There would not be sufficient reserves at this stage to support a balanced budget in 2019/2020 and it is therefore crucial that the Chief Fire Officer continues to identify further budget reductions in 2016/2017 and beyond.

PROPOSAL FOR COUNCIL TAX INCREASES 2016/2017

- 2.43 The recommendation proposed by the Finance and Resources Committee is set out in tabular form in Appendix A.
- 2.44 Council Tax for the Fire Authority is currently £72.44 at Band D and a 1.95% increase in this would raise it by £1.41 per year to £73.85. The effects of such an increase on other bands per year is as follows:

Band A	0.94
Band B	1.10
Band C	1.25
Band D	1.41
Band E	1.72
Band F	2.03
Band G	2.35
Band H	2.82

The majority of the homes in the City and County of Nottinghamshire fall into Bands A and B.

COMMENTS OF THE TREASURER

- 2.50 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.

2.51 The Treasurer is satisfied that, on the basis of the financial risk assessments, the working balances are adequate and plans exist for using any surplus balances.

2.52 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.

2.53 A statement by the Authority Treasurer is included as Appendix B to this report.

3. FINANCIAL IMPLICATIONS

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

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

This report recommends that reserves are used to balance the budget for 2016/2017 and this will require the Chief Fire Officer to deliver plans for future savings. The report “Sustainability Strategy for 2020”, which is also on this agenda, sets out the scope for this work and includes human resources implications.

5. EQUALITIES IMPLICATIONS

As this budget report provides an overview of the Authority’s financial position going forward, a full equality impact assessment has not been undertaken in relation to this report per se. However the significant budgetary changes affecting employees have been previously approved by the Authority and any equality impacts will have been considered at that time. There are some potential positive equality impacts arising from the Organisational Development strategy which will contribute towards improving workplace culture and includes initiatives such as mental health resilience and promoting the development of employees who may be members of minority groups.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

The Authority must set a balanced budget for 2016/2017 but may acknowledge potential budget shortfalls for future years, which will be addressed at a future time.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 Risks associated with budget setting are always significant. Budgets are by their very nature estimates of future activity and these estimates can sometimes turn out to be incorrect. One of the main risks of the 2016/2017 budget is that the employee establishment will not reduce in line with budgetary savings made and this risk will be managed by way of a contribution to earmarked reserves which can then be used to support the pay budget until the establishment has sufficiently contracted (as set out in paragraph 2.24). Other issues include the risk that national pay awards may not align with the assumptions.
- 8.2 There can be no control over external issues however the Authority has sufficient reserves to cope with any in year changes which alter these budget assumptions significantly.

9. RECOMMENDATIONS

It is recommended that Members:

- 9.1 Consider the recommendation of the Finance and Resources Committee to the Fire Authority that there be a 1.95% Council Tax increase, with the residual balance of £98,326 met by funding from reserves, and set a Council Tax and precept for 2016/2017 as required by statute.
- 9.2 Approve the continued payment of Members Allowances for 2016/2017 in accordance with the approved scheme.

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

None.

John Buckley
CHIEF FIRE OFFICER

APPENDIX A

Proposal for Council Tax Increase of 1.95%

An increase in Council Tax of 1.95% would require the Authority to set a Band D Council Tax of £73.85 per annum in 2016/2017.

Specifically in 2016/2017 Council Tax would be set at the following levels:

Band A	49.23
Band B	57.44
Band C	65.64
Band D	73.85
Band E	90.26
Band F	106.67
Band G	123.08
Band H	147.70

The level of Council Tax at Band D is then multiplied by the taxbase to calculate the precept to be set for each of the District Councils and the City Council as follows:

	Taxbase	Percentage	Precept £
Ashfield	31,936.30	10.6%	2,398,911.71
Bassetlaw	33,079.77	10.9%	2,501,283.97
Broxtowe	32,806.55	10.8%	2,456,768.67
Gedling	36,104.62	11.9%	2,709,438.13
Mansfield	28,272.00	9.4%	2,116,249.16
Newark and Sherwood	37,378.90	12.4%	2,772,281.71
Rushcliffe	40,959.60	13.5%	3,056,694.40
Nottingham City	62,091.00	20.5%	4,758,254.26
Total	302,628.74	100.0%	22,769,882.01

The above figures are calculated after taking account of the declared surplus/deficit on collection for each of the billing authorities.

NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE AND RESCUE AUTHORITY

STATEMENT BY AUTHORITY TREASURER

Under Section 25 of the Local Government Act 2003, 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 is calculated using a risk assessment methodology. I am satisfied that, on the basis of those risk assessments, the proposed level of balances is adequate.

I note however that the current level of balances exceeds this recommended level but note the projected budget requirements for 2016/2017, 2017/2018, 2018/2019 and 2019/2020 exceed the possible grant and council tax yields for those years.

Earmarked 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.

**Neil Timms CPFA MIRM
FIRE AND RESCUE AUTHORITY TREASURER**

APPENDIX C

PROPOSED CHANGES TO BASE BUDGETS 2016/2017 – 2018/2019

Changes to Budget Requirement		£000's	£000's
Base Budget 2015/16			41,783
Pay and Inflation			
	Pay awards 1%	313	
	Increase in Competent Nos	112	
	Pension Scheme Adjustments	87	
	NI End of Contracting Out	518	
	2 Fewer Bank Hols	-141	
	Correction re flexi allowance	-27	
	Reinstate previous savings / Increase in RDS	325	
	Increments	46	
	Job evaluation changes	11	
	Inflation Nonpay	7	
	Inflation - Premises budgets	16	1,267
Growth			
	Work Proposals:		
	- RDS PPE	90	
	- Organisational Development	75	
	- Gym Equipment - Cross trainers	4	
	- Gym Equipment - functional	10	
	- Occupational Health system upgrade	19	
	- Musculo-skeletal screening programme	10	
	- Photo Ionisation Dectors	25	
	Short term project work	185	
	Pensions administration	13	
	Drinking water (budget to match spend)	8	
	Insurances	5	
	FireLink increase	98	
	Tri-Service regional team	52	
	Ill health retirements	21	
	Princes Trust	194	
			807
Savings			
	- Section 31 Grant Business Rates Retention	-83	
	- Primary Key Authority	-8	
	- HR Nonpay budget savings	-6	
	- Pensions costs from revenue	-6	
	- External Audit Fees	-11	
	- Insurance re-tender	-90	
	- Legal Services	-45	
	- National Operational Guidance	-20	
	- Community Safety	-39	
	- Members allowances	-6	
	- PPE & Uniform	-27	
	- Lync telephony	-35	
	- ICT contracts	-78	

		£000's	£000's
	- ICT consumables etc.	-13	
	- Operational Equipment	-8	
	- Fuel	-31	
	- Fleet Maintenance	-29	
	- Fleet modifications	-29	
	- Guildhall charge reduction	-19	
	- Marketing & Publicity	-2	
	- Printing	-6	
	- New Dimensions - use of earmarked reserve	-10	
	- Treasurer	-6	
	- L&D nonpay	-70	
	- Special service charges	-12	
	- Room hire charges	-30	-719
Capital Financing			167
Restructuring			
	Fire Protection Conversions	-15	
	Specialist Rescue	-836	
	- SRT less additional equipment costs	19	
	Contribution to earmarked reserve to fund SRT reduction in posts in advance of natural turnover	350	
	Flexi SMs	-269	
	- Post conversion Equipment Grade 6	35	
	Hydrant Maintenance Inspection	-40	
	- Removal of Hydrant Maintenance recharge	-23	
	Procurement / Estates Restructure	13	
	District Administration Restructure	-180	
	HR Administrator	36	
	Corporate Comms Out of Hours Rota	27	
	Corporate Comms Restructure	3	
	Strategic Team Restructure	-81	
	Enhanced Crewing - deletion of 10 posts	-387	
	Finance Dept.	9	-1,340
Adjustment to Reserves - eliminate contribution 15/16			-570
Additional Surplus on Collection Fund			-128
Miscellaneous minor adjustments			27
Budget Requirement 2016/2017			41,295

Pay and Inflation			
	Pay inflation WT	243	
	Pay inflation RDS	53	
	Pay inflation Control	23	
	Pay inflation Admin	62	
	Increments Admin	56	
	Increase in Bank Holidays	18	

		£000's	£000's
	Development to competent adjustment	12	
	Inflation Members allowances	2	
	Ill health retirements	4	
	Injury allowances	13	
	Premises inflation	22	
	Other non-pay	4	511
Growth:	Remove Section 31 Grant Business Rates Retention	118	
	Blue light fittings	28	
	Interest income reduces as reserves are used	10	
	On-going impact previous restructures	-1	
	On-going impact JE regrades	3	158
Savings:			
	Remove one-off funding gym equipment	-10	
	Removal of OD one-off costs from 16/17	-31	
	Lync implementation	-20	
	End of protected pension age issue - tax saving	-7	
	2015 FFPS tapering	-11	
	Premises savings re London Rd station	-10	-89
Capital Financing			439
Restructuring			
	Uniform for additional RDS	23	
	Removal of one-off contribution to earmarked reserves for SRT reduction in posts	-350	
	RDS increased numbers of staff	239	
	FP conversions	-67	-154
Miscellaneous minor adjustments			-4
Budget Requirement 2017/2018			42,156

Pay and Inflation			
	Pay inflation WT	186	
	Fewer Bank Holidays	-87	
	Pay inflation RDS	32	
	Pay inflation Control	10	
	Pay inflation Admin	57	
	Increments Admin	27	
	Adjustment to vacancy factor	-8	
	Inflation Pensions	22	
	Inflation Members allowances	1	
	Premises inflation	7	
	Other non-pay inflation	4	252

		£000's	£000's
Growth:			
	Blue light fittings	7	
	OD - Workplace Culture Benchmarking	5	
	On-going impact JE regrades	3	15
Savings:			
	End of protected pension age issue - tax saving	-3	
	2015 FFPS tapering	-15	-19
Restructuring:			
	RDS increased numbers of staff	80	
	Uniform for additional RDS	23	
	On-going effects of previous restructures	14	
	FP conversions	-4	112
Capital Financing			142
Miscellaneous minor adjustments			2
Budget Requirement 2018/2019			42,660

CASH LIMIT 2016/17 to 2018/19

APPENDIX D

	Original Budget 2015/2016 £000's	Revised Budget 2015/2016 £000's	Budget Requirement 2016/2017 £000's	Budget Requirement 2017/2018 £000's	Budget Requirement 2018/19 £000's
Employees					
Direct Employee Expenses	31342	31416	31261	31883	32180
Indirect Employee Expenses	521	521	446	446	446
Pension	821	821	837	854	872
	32684	32758	32544	33183	33498
Premises-Related Expenditure					
Repairs Alterations and Maintenance of Buildings	544	540	545	561	567
Energy Costs	371	367	367	367	367
Rents	95	95	76	66	66
Rates	712	710	710	710	710
Water	72	72	81	84	85
Fixture and Fittings	1	1	1	1	1
Cleaning and Domestic Supplies	300	322	322	322	322
Grounds Maintenance Costs	26	26	26	28	28
Premises Insurance	35	35	36	36	36
Refuse Collection	37	37	38	39	40
	2193	2205	2202	2214	2222
Transport-Related Expenditure					
Direct Transport Cost	1127	1127	1038	1064	1073
Recharges	128	128	123	123	123
Public Transport	17	17	27	27	27
Transport Insurance	266	266	150	150	150
Car Allowances	369	369	366	366	366
	1907	1907	1704	1730	1739
Supplies & Services					
Equipment Furniture and Materials	683	660	683	675	675
Catering	44	45	59	44	44
Clothes Uniforms and Laundry	264	268	346	369	392
Printing Stationery and General Office Expenses	85	85	60	60	60

	Original Budget 2015/2016 £000's	Revised Budget 2015/2016 £000's	Budget Requirement 2016/2017 £000's	Budget Requirement 2017/2018 £000's	Budget Requirement 2018/19 £000's
Services	474	486	584	556	562
Communications and Computing Expenses	1542	1547	1535	1515	1515
Grants and Subscriptions	36	36	39	54	54
Miscellaneous Expenses	36	36	38	38	38
	272	272	235	236	237
	3436	3435	3579	3547	3577
Third Party Payments					
Other Local Authorities	103	103	58	59	60
Private Contractors	23	23	0	0	0
	126	126	58	59	60
Support Services					
Finance	162	162	169	171	173
Corporate Services	43	43	43	43	43
	205	205	212	214	216
Depreciation and Impairment Losses					
Depreciation	0	0	0	0	0
Amortisation of Intangible Fixed Assets	0	0	0	0	0
	0	0	0	0	0
Sales Fees & Charges					
Customer and Client Receipts	-144	-144	-193	-195	-196
	-144	-144	-193	-195	-196
Other Income					
Government Grants	-470	-555	-638	-520	-520
Other Grants/Reimbursements and Contributions	-303	-303	-490	-842	-843
Interest	-76	-76	-76	-66	-66
	-849	-934	-1204	-1428	-1429
Capital Financing Costs					
Interest Payments	952	952	1092	1254	1196
Debt Management Expenses	1273	1273	1301	1578	1778
	2225	2225	2393	2832	2974
BUDGET	41,783	41,783	41,295	42,156	42,660

