

report

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REPORT OF THE CHAIR OF THE FIRE AND RESCUE AUTHORITY

REVENUE AND CAPITAL BUDGETS 2007/2008 TO 2009/2010 PRECEPT AND COUNCIL TAX 2007/2008

1. PURPOSE OF REPORT

This report follows on from the Budget Consultation report presented to the Full Fire & Rescue Authority on 8 December 2006 and invites the Authority to examine the proposed budgets for the above years in more detail before making recommendations to the Authority on 23 February 2007.

2. BACKGROUND

- 2.1 Work has been undertaken on the development of Revenue Budgets for the period 2007/2008 to 2009/2010 and Capital Budgets for the same period. The outline budget for 2007/2008 was approved by the Authority as part of the 2006/2007 precept setting process however this position has been reviewed to take account of changing circumstances since February 2006 and in the light of the IRMP process.
- 2.2 The process is assisted by the fact that Government announced a two year grant settlement in 2006/2007 which also covered 2007/2008. This removes some of the uncertainty regarding the settlement and allows a more accurate position to be estimated. Members will also recall the difficulties experienced in the 2006/2007 budget setting process as a result of the changes to funding of the Fire Fighters pension scheme. These changes are now implemented and therefore such complications do not arise in respect of 2007/2008 and beyond.
- 2.3 Government has taken the view that, for the purposes of capping, Council Tax increases above 5% will be viewed as excessive. This means that the Authority's target level of Council Tax increase of 4.9% established in December 2006 is within this parameter.
- 2.4 The Taxbase for 2007/2008 has risen by a disappointing amount and therefore there have had to be further amendments to the budget to remain within the target figure for Council Tax.
- 2.5 The consultation process approved by the Fire Authority has now taken place although the results of that consultation were disappointing. There was little by way of constructive response and the only negative response related to the removal of the Rescue Tender from Newark and therefore was not strictly related to the budget. A meeting with Statutory consultees took place on 6th February at which there was general interest in the budget proposals albeit some comment about the above inflation increase.

3. ESSENTIAL REQUIREMENTS

- 3.1 As always, the essential requirement of the budget is that it should be sufficient to meet the revenue requirements of the Authority and as such should be a “balanced budget”. This is a statutory requirement and therefore must always be achieved.
- 3.2 In addition the budget must sustain the declared levels of service delivery and allow the Service to continue to develop towards the objectives set out in the Community Safety Plan.
- 3.3 The budget must also result in a reasonable level of Council Tax and avoid placing the Authority at risk from capping.

4. INFLATIONARY PRESSURE

- 4.1 One of the most common questions asked, both by Members and their constituents, is why the level of the Council Tax increase is greater than the level of inflation. There are a number of reasons for this which are explored below.
- 4.2 Inflation as published in the press and media is usually quoted as being the Retail Price Index (RPI). This index is produced by the Office of National Statistics and on the basis of their November figures inflation is currently running at 3.9%.
- 4.3 The picture is however more complex than this due to the construction of the RPI. RPI includes a basket of commodities which impact upon the costs of a typical householder. Such costs include everyday commodities such as gas and electricity and also more specialised commodities such as toys, children’s clothes and consumer durables.
- 4.4 The make up of the November index shows some interesting components such as:

Gas	+40%
Electricity	+27%
Goods and Services	+4.5%
Postages	+13%
Toys and Games	-6.1%
Clothing	-3.2%
Consumer Durables	-7.8%

In order to derive a composite inflation figure all of these components are taken into account however the highly positive inflationary figures are tempered somewhat by the negative figures. The problem that exists at this time is that the negative “balancing commodities” are not commodities which a public sector body will ever purchase.

- 4.5 This does not prove that public sector inflation should necessarily be higher than RPI but merely that RPI itself is not a good comparator.
- 4.6 What is just as interesting is that observers often lose sight of the fact that using inflation as a benchmark will only ever sustain an organisation in exactly the same place as it is now. Inflation does not allow for any development activity, any new pressures or services, or even a redistribution of existing services.

- 4.7 It is estimated that if the Authority was to set the Council Tax increase at the inflation figure of 3.9% then budgets would have to be reduced by £200,000. This might suggest in effect that the whole range of new development activity and national pressures such as Firelink and Regional Control Centres are being provided for only £200,000 of new money which represents a significant achievement.

5. DEVELOPMENT OF THE PROPOSED BUDGET

- 5.1 The Budget for 2007/2008 has been developed from the original Base Budget for 2006/2007 of £39,847,091 and adjusted for achieved base budget savings, additional budget demands, and use of reserves and balances. Using the parameters set by the Policy and Strategy Committee a target budget of £41,771,708 has been achieved which has required both the use of specific reserves and a reduction in initial budget estimates of some £550,000.
- 5.2 The original approved Base Budget for 2007/2008 was £42,656,555, however this was based on an assumption relating to increases in Taxbase which cannot be sustained in the light of better information. This proposal would have implied a budget increase of some 7% whereas the proposed budget reduces this to 4.83%.
- 5.3 The proposed budget will increase Council Tax from £60.85 to £63.83 at Band D, an increase of 4.9%.

6. CAPITAL PROGRAMME 2007/2008

- 6.1 Full details of the three year Capital Programme are given as Appendix A to this report however the overall Capital Programme for 2007/2008 is £8,417,000 which includes £4,816,000 to be carried forward from 2006/2007. The overall programme is made up as follows:

	2006/2007 Slippage £000's	New 2007/2008 £000's	Total £000's
Transport	0	1,541	1,541
Property	4,271	1,295	5,566
Equipment	0	80	80
I.T and Comms	545	685	1,230
	4,816	3,601	8,417

- 6.2 Within the Transport programme for 2007/2007, £1,183,000 relates to the replacement programme for pumping appliances. As reported previously this relates to the replacement of traditional pumping appliances with rescue pumps in accordance with both the IRMP and the Transport strategy.
- 6.3 The remaining programme for Transport consists of the replacement of elements of the light vehicle fleet (£273,000) and the two additions to the fleet being a Heavy Training vehicle (£70,000) and an additional van for Fire Extinguisher Maintenance.
- 6.4 The property programme for 2007/2008 contains £4.271m of carry forward from 2006/2007, however £3.7m of this is related to the new build premise at Hassocks Lane and the majority of the balance to the extension at Headquarters and storage requirements at SDC. The Hassocks Lane development will be substantially funded by a Capital receipt from the sale of Dunkirk Fire Station.

- 6.5 The 2007/2008 programme for property also comprises a number of smaller schemes on Fire Stations, fuel tank renewals and enhanced security upgrades. The following works are planned:

Internal refurbishment at Collingham (£120k)
Internal Decoration and improved showers and toilets at Worksop (£70k)
Upgrade heating, showers and toilets at Retford (£75k)
Internal and external refurbishment at Carlton (£140k)
HQ Stores offices refurbishment (£50k)
Station Modernisation (£400k)
Replacement of Underground Fuel Tanks (£250k)

- 6.6 An audit of security in 2006/2007 highlighted the requirement for a Service wide initiative to replace the current "Janus" door access system which is becoming difficult to support and is constantly failing. Difficulties have also been experienced with different access codes and systems being used on individual premises. A working group has been established to look at this and the conclusion was that a centrally managed security system for the whole service would be the ideal solution. This will cost of the order of £170,000.

- 6.7 The £80,000 programme for equipment relates entirely to the acquisition of additional rescue equipment associated with the specialist rescue teams.

- 6.8 The programme for IT and communications contains £545,000 of carry forward from 2006/2007 which relates to:

	£
HR System	100,000
Business Continuity Project	175,000
WiFi Networking	30,000
Mobile Computing	200,000
Incident Recording System	40,000

- 6.9 The HR system was originally programmed to cost £300,000 in 2006/2007 however it is likely that this will now be either a regional project or that the existing HR system may be modified to provide the additional functionality required. £100,000 has been provided in 2007/2008 with a further £100,000 in 2008/2009.

- 6.10 The business continuity project is a more far reaching project dealing with a range of issues relating to continuity. This project was started in 2006/2007 with a budget of £350,000 and will continue into 2007/2008 where a further £30,000 will be required. An example of the sort of work being carried out is the provision of backup servers and facilities at locations other than HQ.

- 6.11 In addition to this funds are required in 2007/2008 to support a range of other IT developments as set out in Appendix A but the three major developments are:

	£
Replacement Equipment	200,000
Workflow Automation	150,000
Equipment for FireLink	100,000

- 6.12 Replacement equipment is simply the money required to renew equipment that is now obsolete or being returned to leasing companies. Members will recall that FireLink is a national radio project which will require some expenditure by the service on equipment that is not to be provided by the contractor.

- 6.13 The workflow automation project has been discussed for some time as a means of increasing efficiency. This budget will allow this issue to be explored fully and a project to be assessed before this money is spent.

7. CHANGES TO THE REVENUE BASE BUDGET FOR 2007/2008

- 7.1 A full analysis of the proposed changes to the Revenue Budget for the three years commencing 2007/2008 is given as Appendix B and the full detailed Cash Limit Analysis is given as Appendix E.
- 7.2 Changes to the Base for 2007/2008 are analysed over a number of categories as follows:

	£
Unavoidable External Drivers	1,287,426
Safety Critical Items	525,000
Review of Base Budgets	-486,499
Development Activity	974,418
Income	-175,728
Use of Balances and Reserves	<u>-200,000</u>
	1,924,617

Unavoidable External Drivers

- 7.3 These summarise as:

Narrative	£'s
National Pay Awards etc.	1,047,318
Pensions Adjustments	-144,554
General Inflation	71,662
Firelink/RCC	300,000
Regional Management Board	13,000
Total	1,287,426

- 7.4 Nationally agreed pay awards have not yet been settled and therefore an estimate of 3% has been made for both uniformed and non-uniformed staff groups. Consultations both regionally and nationally show that this figure is the most common estimate with Fire Authorities all providing within the range 2.5-3.5%. Regional Finance Officers have agreed to have a common provision of 3%.
- 7.5 In 2006/2007 the Authority had to make a deposit of £356,000 into the Pension Account to cover the costs of ill health retirements. This requirement in 2007/2008 is reduced to some £50,000.
- 7.6 Retained Fire Fighters for the first time will be eligible to join the new Fire Fighters pension scheme and it is considered prudent to make some allowance within the Revenue Budget to meet the anticipated employers' contributions. Regionally it has been assumed that there will be a 50% take up of the scheme that will cost the Authority £160,625. Nevertheless there will still be a saving in the base of £144,544 as a result of both of these pensions changes.
- 7.7 General Inflation has been allowed on all non-pay budget heads at 2%.
- 7.8 The Revenue implications of both FireLink and the Regional Control Centre (RCC) have been prepared from detailed work carried out at the regional level and represent the estimate of additional transition costs over and above those covered by "new burdens" funding. This estimate does not include the cost of additional "hardware" type items that will be required in Nottinghamshire for which a separate Capital budget has been made.

- 7.9 The Regional Management Board (RMB) has decided to increase its budget by 3% for 2007/2008. This and other changes to regional funding require an additional £13,000 from Nottinghamshire.

Safety Critical Items

- 7.10 These summarise as:

Narrative	£'s
New PPE (Fire Kit)	385,000
New Breathing Apparatus	140,000
Total	525,000

- 7.11 Members will be aware that the National Clothing Project has been running for some time to replace the Personal Protective Clothing (Fire Kit) which Fire Fighters are issued. This project is now nearing completion and it is likely that Nottinghamshire will be early adopters of this new equipment as the current Fire Kit has been due for replacement for some time. It should be emphasised however that the currently issued Fire Kit is not unsafe in any way but it is of an older design and requires replacement.
- 7.12 The replacement of Breathing Apparatus (BA) is a similar issue to the replacement of Fire Kit in that the maintenance contract on existing equipment is to end in early 2008 and cannot be renewed. It had initially been thought that the national RPE (Respiratory Protective Equipment) project would meet the needs of the Authority in respect of BA however it is unlikely that this will deliver to the timescale which is required. The DCLG therefore have given permission for Nottinghamshire to undertake a stand alone project which will draw on work already carried out in the South West Region. The costs given in these estimates are the additional annual costs anticipated from an outsourced managed contract.

Review of Base Budgets

- 7.13 During 2006/2007 a review of some areas of the Base Budget has been undertaken which shows that the following adjustments can be made to the base:

Narrative	£'s
Reductions in shift change contingency	-200,000
Admin Pay increases	123,422
Operating Leasing	-772,975
GIS Mapping	2,000
Fire Safety Enforcement	-661
East Midlands Marketing	13,499
I.T Contracts	-30,000
Telephones	7,721
Administration (Non-staffing)	44,552
Transport	29,595
Corporate Items	65,914
Insurances	40,064
Station Budgets	81,000
Estates	109,370
Total	-486,499

- 7.14 Members will recall that the 2006/2007 budget contained provisional sums for the implementation of the new shift system. As this project has been developed budgets have been allocated as appropriate and £200,000 remains unused. This has been returned to the base.
- 7.15 Administrative Pay Increases relate to the continued employment of administrators at Stations 21, 26 and 8 as well as the Authority's share of the regional CBRN Administrator and the Regional HR Officer. This increase also provides for the appointment of an administrator to assist with the ADC (Assessment and Development Centre) process.
- 7.16 A review of the operating lease budget shows that since the transfer of vehicle leases from operating leases to finance leases, which was fully implemented towards the end of 2005/6, this budget can be significantly reduced due to new accounting procedures.
- 7.17 The increase in GIS Mapping charges represents the final staged increase in Ordnance Survey charges for the use of their mapping data.
- 7.18 There is a minor adjustment in Fire Safety enforcement budgets.
- 7.19 The addition of £13,499 to the East Midlands Marketing budget reflects the fact that this activity is now wholly run from and for Nottinghamshire and is not now focussed entirely on fundraising but on the wider aspects of marketing the "safety message" to harder to reach groups. Levels of Income from fundraising are uncertain at present, hence this change to the budget.
- 7.20 A review of IT Contracts shows that this budget can be reduced by £30,000.
- 7.21 A minor change in Telephones budgets is required to meet current usage levels.
- 7.22 The increase in administration budgets relates to a number of items which both increase and decrease this budget. The major increases however relate to increasing the stationery budget, primarily to cope with increases in printing costs, and an increase in the non-uniformed travel budget to relieve the pressure on this budget which is evident from the performance during 2006/2007. Non-uniformed travel is a budget under pressure due to the increase in mileages as a result of more community outreach work.
- 7.23 Changes to the Transport budget reflect the increase in fuel prices and also a requirement to continue the development of the fleet management system.
- 7.24 The Corporate Items line relates to a range of service bought in from external providers such as legal expenses, treasury services, audit fees and other minor changes. Based on levels of expenditure in 2006/2007 it is likely that Legal fees will be £125,000 in 2007/2008. These costs include all the Authority's uninsured legal costs for all activities including amounts for Property, HR and Commercial matters as well as an allowance for appellants costs.
- 7.25 Some insurances are due for renewal in April 2007 and actual insurance premiums are expected to remain steady in what is regarded as a "softer market". Experience shows however that the level of insurance excess provision needs to rise by some £40,000 in order that the Authority is adequately protected.
- 7.26 Budgets on Fire Stations have been under significant pressure both during 2005/6 and 2006/2007 and although some allowances have been given for increasing energy costs these have proved inadequate. Similarly the costs of cleaning and

grounds maintenance have increased beyond the point which these that these budgets can be expected to contain. It is anticipated that both of these services will be re-tendered in 2007/2008.

- 7.27 The Estates budget has been under some pressure for a number of years and to date only an allowance for inflation has been made. Many of the Authority's buildings are in a poor state of repair and the capacity to carry out refurbishment works is constrained. Work by the Property Strategy Group has highlighted a number of issues which require to be addressed and the result of this is that the maintenance budget needs to increase in order to preserve the building stock.

Development Activity

- 7.28 It is considered important that the Authority continues to develop its service in line with the IRMP and with this in view a number of developments are proposed. These divide between community based activities and other developments as follows:

Community Safety

Narrative	£'s
Arson Task Force	92,500
Firesetters Intervention	21,000
HSC Development	-5,000
Impact Roadshow	3,000
RTC Awareness Days	1,000
Seatsafe Programme – Training Costs	25,000
Seatsafe running costs	7,000
Firesetters staff costs	25,000
Bendigo Youth intervention project	6,000
Schools Liaison – Tool Kits	8,000
Neighbourhood Team Approach (LAA)	26,000
LSP/CDP Membership	25,000
Home Safety Check Delivery	22,230
Running Costs of Safety Centre	70,000
Total	326,730

- 7.29 The Arson Task Force is currently funded by Central Government Grant which expires in 2007/2008. This project has been seen to be very successful and it is considered important that this initiative is continued.
- 7.30 Firesetters is a programme which is run in partnership with both the Police and the Probation services and provides counselling and guidance services to young offenders who set fires. As part of the 2006/2007 IRMP it was identified in the Arson Reduction Strategy that this programme could be even more effective if earlier intervention was possible. This money is the continuation of the work carried out in 2006/2007 and will further fund these interventions along with the provision of training and resources.
- 7.31 Home Safety Check Development relates to the set up costs of the Home Safety Check programme which were included in the 2006/2007 budget. As this programme has now been set up these costs are no longer required in 2007/2008.
- 7.32 The Impact Roadshow is a project where firefighters visit schools to educate young people in the dangers of road traffic accidents. It is designed to have a deterrent effect both for young drivers and more particularly those who might become

involved in car theft and joy riding. This additional money will provide resources for the central team to support the work of visiting crews.

- 7.33 As an extension to the Impact Roadshow the Service proposes to run a number of Road Traffic Collision awareness days. This small budget addition will provide resources such as scrap vehicles for use in demonstrations.
- 7.34 The Seatsafe programme is an initiative dealing with the safety of child seats in vehicles. It has proved to be both popular and useful but at present only very few staff are trained to carry out these inspections. The £25,000 budget requirement is to carry out training for all staff participating in the extended programme and the running costs of £7,000 relate to the continuation training required.
- 7.35 As mentioned above the firesetters programme has proven to be very successful and has been run by a small group of enthusiastic volunteers. Unfortunately, whilst the record of success for those young people going through the programme has been high there are increasing numbers of young people seeking admission to the scheme. The workloads make it inappropriate to continue to rely on unpaid volunteers and therefore this budget will allow overtime payments to be made to staff taking part in the programme outside their normal working hours.
- 7.36 There are minor budget increases to allow the service to participate in the Bendigo Youth Intervention project and to provide tool kits for liaison with schools.
- 7.37 The Neighbourhood Team Approach is part of the LAA agreement that we have with the City Council and overall will cost £50,000. The balance of funding is to be met from the LAA "pump priming" funding that is available from the LAA.
- 7.38 As part of the continuing commitment to partnerships and community intervention the Service is a member of a number of Local Strategic Partnerships and Crime and Disorder Reduction Partnerships. Other members of these partnerships such as the Police and Local Authorities already contribute to the running costs of the partnership and the Service is coming under some moral obligation to also make some contribution. To date this has been dealt with in a piecemeal fashion and small contributions have been made when requests have been made. As these partnerships are beginning to develop fully it is important that the Service is able to play a full part and some financial contribution will be required. As a County and City wide organisation the Fire Authority is involved in many of these partnerships and it is difficult to make contributions on the scale of those made by other partners. Nevertheless it is considered that even a relatively small contribution will be sufficient to show the Service's commitment.
- 7.39 The requirement for Home Safety Check (HSC) delivery relates to the continuing employment of a non-uniformed member of staff who currently supplements the activities of fire crews in delivering HSCs primarily in the Bulwell, Basford and Broxtowe areas of the City. This post was originally funded by European grant but this has now expired.
- 7.40 The new Safety Centre at Farnborough Road in Clifton has now been acquired for the Authority and, as set out in the original report funds need to be allocated to cover the running costs of this building.

Other Development Areas

Narrative	£'s
Support to the Capital Programme	336,354
Equipment	74,500
Training	83,190
Human Resources	153,644
Total	647,688

- 7.41 The revenue support required to sustain the Authority's Capital Programme is £336,354, however this also has to be seen against the substantial reduction in leasing costs as set out in the Base Budget Review section.
- 7.42 The additional budget required for operational equipment relates to a number of smaller items however amongst these is the requirement for environmentally friendly Fire Foam, the provision of asset marking tags and appropriate software to comply with guidance, and the purchase and repair of fire hose.
- 7.43 The Training budget is coming under some pressure from increased training requirements. This overall figure is the product of a number of proposed changes as follows:

Narrative	£'s
Performance Development Training	-25,000
Conversion of 2 Trainer posts to non-uniformed roles	-16,000
Retained Junior Officer Training at Moreton	30,000
NVQ Assessor Training	19,192
Business Rates	7,000
I.T Training Equipment	20,000
E.Learning	12,000
I.T Trainer Post	25,998
Member Training	10,000
Total	83,190

- 7.44 A budget was created in 2006/2007 for Performance Development Training which has been carried out and therefore is no longer required. Also two trainer posts have been converted from uniformed to non-uniformed roles and there is a consequent saving.
- 7.45 There is a requirement for Retained Junior Officers to carry out some training at the Fire Service College at Moreton-in-Marsh. It is estimated that this will cost approximately £60,000 per annum however will not begin until later in the year. The additional £30,000 is to be built into the 2008/2009 budget.
- 7.46 The Service is required to train Retained Watch Managers to be NVQ assessors which will cost £19,192.
- 7.47 The extension of the Service Development Centre by the addition of new shower blocks and better changing facilities will result in an increase in business rates payable to Newark and Sherwood District Council.
- 7.48 The training required for fire crews in the use of IT cannot be met from within existing resources and therefore additional staff and facilities will need to be made available in the form of an IT Trainer and I.T training equipment.

- 7.49 E.Learning recognises that there are so many areas upon which fire-fighters need to be trained it is becoming increasingly difficult to carry this out using trainer contact hours. E.Learning, once developed will provide a different and more efficient way of teaching some subjects.
- 7.50 It was recognised by the Independent Remuneration Panel that elected members need to be trained to carry out their roles effectively and also to keep their knowledge up to date. It is proposed therefore that a small budget is created to enable this training to be carried out.
- 7.51 The Human Resources budget needs to be increased in some key areas due to new regulations for pensions and revised recruitment processes. There are also a number of other adjustments required as shown in the following table:

Narrative	£'s
Westfield Health Scheme	48,000
Recruitment Advertising	6,637
Pension Scheme procedural changes	45,000
Childrens Act CRB checks	5,000
Salary Protections	25,000
Regional ADCs	20,000
Misc	4,007
Total	153,644

- 7.52 The Westfield Health scheme has been successfully in operation for a number of years and offers a wide range of counselling and physiotherapy services to staff. The costs of this scheme equate to £1 per employee per week and it is currently offered to all staff. At its outset it had been assumed that much of the cost would be offset by reduced claims for NHS treatment (primarily dental and optical inspections) however this has proven not to be the case for whilst there have been some reductions in this area they do not sufficiently offset the costs of the Westfield scheme.
- 7.53 The budget for recruitment advertising is coming under more pressure as the Service widens the coverage of advertising. Also the costs of advertising for more senior posts are escalating in a way that cannot be contained within the very small advertising budget.
- 7.54 Pension scheme procedural changes relate to the funding of H2 appeals and the functional testing associated with ill health retirement appeals. These costs fall to be met by the Authority.
- 7.55 CRB checks are carried out as a matter of course on all new employees to the service. As the Authority's commitment to Community Safety continues it is important to ensure that all staff who are likely to work with children are appropriately checked. This budget will allow this to occur.
- 7.56 Under the new pensions arrangements for fire-fighters and particularly the new provisions for ill health retirements and redeployments it may be necessary to protect the salaries of staff who are redeployed into lower paid roles. Whilst such protection is only temporary it is anticipated that budget will need to be available on a permanent basis.
- 7.57 Regional Assessment and Development Centres (ADC's) require staff from the Service to attend in an assisting role. ADCs tend to run for long hours and also at weekends and therefore there is a requirement for overtime payments to be made.

- 7.58 The Miscellaneous line covers areas such as a new digital camera for the door access system, increased interview expenses etc.

Income

- 7.59 There are a number of areas where the Authority generates or receives income both in terms of commercial activities and as a by product of other activities. In terms of trading services the Fire Extinguisher Maintenance Service propose to generate a further net surplus of £26,277 from employing another technician and the commercial training partnership is to contribute a further £5,000.
- 7.60 The Authority has been involved in the Prince's Trust for a number of years now and has consistently committed £30,000 per annum to supporting this project. In 2006/2007 the net budget for the Princes Trust was a deficit of £41,000 however it is anticipated that this will now become a surplus of £73,000. This will help to ensure that other Community based projects can continue to be funded.

Use of Balances and Reserves

- 7.61 The demands placed upon the Revenue Budget are such that it would be impossible to meet them directly from within a single years revenue budget. A number of these issues however have been planned for in previous years and appropriate reserves created. The overall effect of balances and reserves is as follows:

Narrative	£'s
Restoration of budget support	400,000
PPE Reserve	-400,000
Firelink Reserve	-200,000
Total	-200,000

- 7.62 During 2006/2007 the revenue budget was supported by £400,000 from the balances which was a "one off" contribution. This cannot be repeated in 2007/2008 and therefore the Revenue Budget needs to increase to compensate for this lack of support. The reason that balances were used to support the Revenue Budget in this way was to enable a smoothing effect on Council Tax over a three year period.
- 7.63 The Authority has accumulated a £600,000 reserve for the replacement of Personal Protective Equipment (Fire Kit) against which charges in respect of the Integrated Clothing Project will be made. It is anticipated that £400,000 of this will be required in 2007/2008.
- 7.64 Mindful that there would inevitably be costs that were not covered by Central Government, a reserve was created to minimise the effects of the Firelink and Regional Control Centre transition. This reserve of £200,000 can be used in full to offset the effects of these costs in 2007/2008.
- 7.65 Subject to the agreement to proposals for the transfer of funds to reserves and balances during 2006/2007 the overall position as regards such funds is given as Appendix F to this report. This appendix also gives details of centrally held contingency sums included within base budgets.

8. FINANCING OF THE 2007/2008 REVENUE BUDGET

- 8.1 Members will be aware that the Authority finances its net budget requirement from three sources:

- National Non-Domestic Rates
- Revenue Support Grant
- Council Tax

8.2 The figures for National Non-Domestic Rates have been agreed as £18,045,091 and for Revenue Support Grant at £3,028,338 which gives a total figure for external funding of £21,073,429 the balance of funding to be met from the Council Tax is therefore £20,698,279.

8.3 The Taxbase for the City and County has been declared as £324,263.58 which means that in order to raise the amount required Council Tax will need to be set at £63.83 at Band D. Following the formula for the calculation of Council Tax the amount required at each band is therefore:

	£
Band A	42.55
Band B	49.65
Band C	56.74
Band D	63.83
Band E	78.01
Band F	92.20
Band G	106.38
Band H	127.66

This represents an increase of 4.9% on all Bands.

8.4 The precept required to be levied on each of the District Councils and the City Council is therefore as follows:

	£
Ashfield	2,188,110.54
Bassetlaw	2,260,432.52
Broxtowe	2,222,592.48
Gedling	2,399,565.09
Mansfield	1,952,916.53
Newark and Sherwood	2,395,198.37
Rushcliffe	2,553,840.44
Nottingham City	<u>4,728,623.03</u>
	20,698,279.00

8.5 Precepts are paid by instalments throughout the year as agreed by the Nottinghamshire Chief Financial Officers Group.

9. CAPITAL BUDGET 2008/2009 AND 2009/2010

9.1 As mentioned above the full Capital Programme for 2007/2008 to 2009/2010 is given as Appendix A however an outline of the proposed programmes is as follows:

	2008/2009 £000's	2009/2010 £000's
Transport	1,849	1,027
Property	20	900
Equipment	80	80
I.T and Comms	400	300
	2,349	2,307

- 9.2 The Transport programme contains £1.015m in 2008/2009 and £837k in 2009/2010 for the replacement of pumping appliances with new Scania Rescue Pumps. This is timed to coincide with the return of leased pumping appliances to the leasing companies.
- 9.3 In 2008/2009 there is also provision of £586,000 for Specialist vehicles which will include the replacement of the existing 4 Rescue Tenders with 2 Ultra Heavy Rescue units as well as a number of smaller specialist vehicles.
- 9.4 The programme for the replacement of the light vehicle fleet continues as set out in the fleet strategy.
- 9.5 The property programme for 2008/2009 at £20,000 is somewhat misleading in that the overall programme is of the order of £2.38m. An anticipated Capital Receipt from the sale of Dunkirk Fire Station is included in this net figure.
- 9.6 In addition to a number of smaller refurbishment and improvement schemes at fire stations there are four major areas of proposed expenditure.
- 9.7 £500,000 has been provided in each year for a major project of some description. Although these schemes have not yet been worked up, it is clear from the property strategy that it is necessary for a major project to be carried out in each year to keep pace with the gradual deterioration of the building stock.
- 9.8 £400,000 and £200,000 has been provided in each year to continue the process of station modernisation and redesign to create more community focussed environments and to address issues such as DDA compliance and Equalities. A further £200,000 has been provided in 2008/2009 for the refurbishment of the old Training Centre at Mansfield.
- 9.9 A general provision of £1,000,000 has been made for property acquisitions as a prelude to the move from Central Fire Station for which an eventual capital receipt could be anticipated.

10. REVENUE BUDGET 2008/2009

- 10.1 The proposed revenue budget for 2008/2009 is £43,319,151 which represents an increase in the base budget of some £1,547,443 or 3.7%. The detail of this is given in Appendix B and is made up broadly as follows using the same categorisation as for the 2007/2008 budget:

	£
Unavoidable External Drivers	928,846
Safety Critical Items	-508,500
Review of Base Budgets	-122,219
Development Activity	842,250
Income	-22,934
Use of Balances and Reserves	<u>430,000</u>
	1,534,443

- 10.2 Unavoidable external Drivers consist of the following:

Narrative	£'s
National Pay Awards etc.	913,680
Pensions	148,565
General Inflation	62,601
Firelink/RCC	-196,000
Total	928,846

- 10.3 Nationally agreed pay awards have been assumed at 3% for both uniformed and non-uniformed staff groups. There is also an allowance within this figure for staff increments which are also a national condition of service.
- 10.4 Additional budget is required for pensions to take account of changeovers to the new firefighters pension scheme and for the effects of ill health provisions. It is possible that ill health charges may reduce over time as the new regulations take effect but cannot be estimated at this time.
- 10.5 General Inflation has again been added to the budget at 2%.
- 10.6 The reason the RCC/Firelink costs appear to be reducing by £196,000 is due to the effect of using reserves in 2007/2008. Reserves were used to fund £200,000 in start up costs but these are not required in 2008/2009. Instead the estimated running costs of Firelink have been provided for at £104,000.
- 10.7 The figure showing for safety critical items is again distorted to a large extent by the fact that the 2007/2008 base budget included £500,000 for the purchase of new fire kit which will not be required again in 2008/2009 and beyond hence some reductions. Much of this is offset by the use of balances and reserves element of the budget.
- 10.8 The review of Base Budgets continues into 2008/2009 and beyond and shows a reduction of £122,219 over 2007/2008. There are a number of smaller reductions making up this figure which are already determined however the largest item is a target for Base Budget reductions of £59,219. Members may recall that a target of £69,000 was included in the 2006/2007 budget which was achieved during the year.
- 10.9 The largest budget item in the development activity heading relates to the revenue support to the capital programme of some £760,000. This reduces substantially in 2009/2010 due to the effect of the capital receipt.
- 10.10 Other development items are relatively small with the only addition of real consequence being the provision for an additional post of health care assistant in occupational health. This will cost £30,400 in 2008/2009 although the start up costs reverse out in 2009/2010 giving a net reduction of £4,600. All the costs of this appointment have been taken into account such as provision of transport, running costs, administration and I.T. This post was deferred from 2007/2008 in order to achieve budget targets.
- 10.11 The income budget increase in 2008/2009 is the continuation of the initiative to increase income from Fire Extinguisher Maintenance which will commence in 2007/2008.
- 10.12 The figure for the use of balances is somewhat complex but consists of the following changes:

Narrative	£'s
Use of PPE Earmarked Reserve	200,000
Use of Firelink earmarked reserve	200,000
General Reserve	30,000
Total	430,000

- 10.13 All of these items reflect the funding of expenditure in 2007/2008 from reserves or balances which will not be required in 2008/2009 and beyond. It is noticeable that

for each of the two large items a corresponding credit is shown on that budget line. For example the PPE Earmarked reserve is more than matched by the budget reduction given in paragraph 10.6.

11. REVENUE BUDGET 2009/2010

- 11.1 The proposed revenue budget for 2009/2010 is £44,944,587 which represents an increase in the base budget of some £1,625,436 or 3.75%. The detail of this is given in Appendix B and is made up broadly as follows using the same categorisation as for the 2008/2009 budget:

	£
Unavoidable External Drivers	1,203,277
Safety Critical Items	-22,000
Review of Base Budgets	-8,748
Development Activity	252,907
Use of Balances and Reserves	<u>200,000</u>
	1,625,436

- 11.2 Unavoidable external Drivers consist of the following:

Narrative	£'s
National Pay Awards etc.	913,076
Pensions	-4,919
General Inflation	83,620
Firelink	211,500
Total	1,203,277

- 11.3 Nationally agreed pay awards have been assumed at 3% for both uniformed and non-uniformed staff groups. There is also an allowance within this figure for staff increments which are also a national condition of service.
- 11.4 The impact of pensions reduces marginally in 2009/2010 as more staff begin to join the new scheme and reduce employers contributions.
- 11.5 General Inflation has again been added to the budget at between 2% and 3%.
- 11.6 Some of the full costs of Firelink are expected to be charged to the Authority in 2009/2010 and this figure represents the latest estimates of these costs provided by Firelink.
- 11.7 The figure showing for safety critical items relates to the reversal of the “pump priming” element of specialist training that has been carried out in 2007/2008 and 2008/2009. This reduces in 2009/2010 and is transferred to the mainstream training budget.
- 11.8 The review of Base Budgets will continue into 2009/2010.
- 11.9 Development Activity provides for £150,000 as a provision for future Community Safety initiatives which will emerge from future Community Safety plans as well as replacing some of the Arson Task Force grant which will be withdrawn in 2009/2010.
- 11.10 The use of balances figure is simply the effect of the revenue budget being supported by £200,000 from an earmarked reserve which was smoothing out the

effects of the introduction of new personal protective equipment. Depending on the eventual solution it may be possible to review this figure over time.

12. BALANCES

12.1 The anticipated level of balances at 31 March 2008 is:

	£
Balances at 31 March 2006	2,076,000
Contribution during 2006/7	325,000
Budgeted Balance at 31 st March 2007	2,401,000
Contribution during 2007/8	0
Budgeted Balance at 31 st March 2008	2,401,000

12.2 The levels of balances and the requirement to make no contribution during 2007/8 is reliant upon the recommendations of the Finance and Resources Committee in relation to 2006/7 underspendings being accepted

13. CHIEF OFFICERS REMARKS

The Chief Fire Officer has been consulted fully on this budget and is satisfied that the budget as proposed will enable the service to fully discharge its legal obligations under the Fire Services Act 2004 and also to continue to develop a range of services to the public in accordance with the Community Safety Plan.

14. RISK MANAGEMENT IMPLICATIONS

14.1 There are a number of risks inherent in the setting of an annual budget such as:

- i) The budget assumptions are incorrect
- ii) The budget is insufficient to meet the actual costs
- iii) The Authority is subjected to Capping

14.2 The continuing process of developing the Revenue Budget helps to assure that the budget assumptions are as robust as possible. However, estimates of pay awards are always subject to some element of risk. A 1% error in this estimate could cause the Authority to underestimate requirements by approximately £300,000 which would fall to be met from the Authority's balances. All risks associated with Grant assumptions and Council Taxbase figures are now resolved as actual figures are available.

14.3 Experience over time shows what the likely levels of costs are and allows fairly robust estimates to be made.

14.4 Ministers have made their views clear on the matter of capping and have publicised the figure of 5%. This should make the Authority's position at 4.9% compatible with the Governments view of a reasonable increase in Council Tax.

15. COMMENTS OF THE TREASURER

15.1 Under Section 25 of the Local Government Act, 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.

15.2 The reserves of the Authority are being managed over a period of three years and the Treasurer is satisfied that, on the basis of the financial risk assessments, that these reserves are adequate.

15.3 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.

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

16. FINANCIAL IMPLICATIONS

There are no specific financial implications arising from this report although clearly the annual budget itself defines the financial parameters for the authority for the coming year.

17. PERSONNEL IMPLICATIONS

There are no specific implications for personnel within this report.

18. EQUALITIES IMPACT ANALYSIS

There are no specific implications for equality within this report.

19. RECOMMENDATIONS

19.1 That Members approve the Capital Budgets for each of the financial years 2007/2008 to 2009/2010 as set out above.

19.2 That Members approve the Revenue Budgets for each of the financial years 2007/2008 to 2009/2010 as set out above.

19.3 That Members approve the levels of Council Tax as set out in Paragraph 8.3 above.

19.4 That Members approve the precept figure of £20,696,519.09 which will be applied to the whole of the City and District Council areas as General Expenses.

19.5 That Members note that the precept for 2006/2007 will be collected from City and District Councils in accordance with their agreed taxbases with payments in equal instalments on the following dates:

2007	2008
23 April	4 January
25 May	8 February
4 July	13 March
7 August	
14 September	
17 October	
22 November	

20. BACKGROUND PAPERS AVAILABLE FOR INSPECTION

None.

Councillor Darrell Pulk
CHAIR OF THE FIRE & RESCUE AUTHORITY

Capital Programme 2007/08 to 2009/10

Appendix A

	2006/07 Approved £	2006/07 Estimated Outturn £	2007/08 £	2008/09 £	2009/10 £
TRANSPORT					
<u>2006/07 Slippage</u>					
Pumping Appliances	952,000	1,600,000			
Special Appliances	640,000	160,000			
Community Safety Outreach	100,000	100,000			
Fuel Tanks	168,000	0			
Small Vehicles	225,000	527,000			
<u>New Programme</u>					
1 extra van required for FEM			15,000		
LGV training vehicle			70,000		
Rescue pump replacement programme			1,183,000	1,015,550	837,900
Special Appliances				586,000	90,000
Small vehicle replacement programme			273,000	247,500	99,000
Fuel Tank renewal			0		
	2,085,000	2,387,000	1,541,000	1,849,050	1,026,900
PROPERTY					
<u>2006/07 Slippage</u>					
Harworth	150,000	209,000			
Headquarters Extension		187,000	436,000		
Community Safety Premises	600,000	550,000	10,000		
Beeston / Dunkirk – building, professional fees, cap receipts	1,300,000	-60,000	3,320,000	-2,360,000	
Beeston / Dunkirk – fixtures & fittings, IT Comms etc.			400,000		
Fuel tank Renewal	20,000	0			
SDC Garage (storage facility)	80,000	0	80,000		
Minor Schemes	400,000	400,000			
Retentions	25,000	0	25,000		
<u>New Programme</u>					
<u>Minor Works:</u>					
Collingham :Refurb int+ext			120,000		
Worksop : Showers+Toilets+Int Decoration			70,000		
Retford : Showers+Toilets+Heating etc			75,000		
Carlton: Int +Ext refurbishment			140,000		
HQ: Stores Office/Goods Receiving			50,000		
Ashfield: Showers+Gate/Fencing+RTA + Conversion of Mess to Training Area				60,000	
Southwell: Internal Refurb/ showers				90,000	
Blidworth: Internal Refurb / showers				70,000	
SDC : Kitchen Extn +Lecture Room Divider				60,000	
2009 provision dependant on 2007 surveys					200,000
Station design changes			400,000	400,000	200,000
Major Works				500,000	500,000
Acquisitions			0	1,000,000	
Fuel tank renewal			250,000		

Capital Programme 2007/08 to 2009/10

Appendix A

	2006/07 Approved £	2006/07 Estimated Outturn £	2007/08 £	2008/09 £	2009/10 £
SDC garage			20,000		
Stn 1: BTS block refurbishment				200,000	
Security upgrade project: all premises			170,000		
	2,575,000	1,286,000	5,566,000	20,000	900,000
EQUIPMENT					
<u>New Programme</u>					
Specialist Rescue Equipment	600,000	570,000	80,000	80,000	80,000
Hydraulic Equipment for 2 Rescue Tenders		100,000			
Specialist Rescue - upgrade to UHRVs, RRVs, Boat		81,000			
	600,000	751,000	80,000	80,000	80,000
IT. & COMMUNICATIONS					
<u>2006/07 Slippage</u>					
Infrastructure refreshment	142,000	0			
HR System	300,000	0	100,000	100,000	
IT Security Business Continuity DRP	350,000	175,000	175,000		
Information Systems developments	40,000	40,000			
WiFi networking	40,000	10,000	30,000		
EISEC Caller Line Identification	16,000	16,000			
Mobile Computing	250,000	100,000	200,000		
Business expansion	100,000	100,000			
Replacement equipment	100,000	178,000			
MOBS Upgrade	135,000	135,000			
Vector Command Simulation	65,000	65,000			
IT Modernisation (05/06 cap prog)	0	178,000			
Incident Recording System (05/06 cap prog)	0	0	40,000		
<u>New 07/08 onwards</u>					
IT Security Business Continuity DRP			30,000	30,000	30,000
Replacement equipment			200,000	150,000	150,000
Information Systems developments			20,000	20,000	20,000
Business expansion			100,000	100,000	100,000
WAN Upgrade			50,000		
Workflow business process automation			150,000		
Replace UPS batteries			10,000		
Upgrade Station telephone switches			10,000		
New FEM database required			15,000		
FireLink Add Ons			100,000		
	1,538,000	997,000	1,230,000	400,000	300,000
	6,798,000	5,421,000	8,417,000	2,349,050	2,306,900

Variations to Base Budget 2007/08 to 2009/10

Appendix B

	2007/08	2008/09	2009/10
Base Budget	39,847,091	41,771,708	43,319,151
Pay Awards			
Wholetime	586,318	571,000	591,000
Post Conversions	-107,418	0	0
Control	19,000	28,000	30,000
Training Reserve reduction 06/07 only	90,000	0	0
Overtime	4,000	0	0
Retained	147,000	93,000	100,000
Principal Officers	12,000	14,000	15,000
Non-uniformed	112,145	115,509	118,975
Increments	70,169	79,422	53,877
Pay inflation - new posts	6,586	12,749	13,424
Finance and Resources (Pensions)			
Emp'er contributions old scheme	3,032,000	-25,000	-10,000
Emp'er contributions old scheme	-3,686,000	0	0
Emp'er contributions new scheme	212,000	71,000	66,000
Injury awards	56,107	16,300	17,100
Ill health charges	238,914	73,465	-91,919
Ill health deposit	-356,000	0	0
Injury award increases	147,800	12,800	13,900
Emp'er contributions new scheme Retained	160,625	0	0
New Contribution to Balances re Ill Health / Injury	50,000	0	0
Other			
General Inflation	71,662	62,601	83,620
Base Budget Review savings	0	0	0
Admin & Support Pay - changes to base	107,418	0	0
Shift Change - eliminate surplus base budget	-200,000	0	0
Admin Pay Issues Identified			
CBRN / Resilience admin post	4,131	0	0
ADC Administrator post not in establishment	21,429	0	0
Administrator Stn 21	19,501	0	0
Administrator Stn 26	19,501	0	0
Administrator Stn 8	19,896	0	0
Workplace Assessor	29,764	0	0
Regional HR Officer 2 yr FTC	9,200	0	-9,200
Capital Financing			
Operating Leasing	-772,975	339,000	39,000
Debt support to Cap Programme	336,354	424,050	9,268

Variations to Base Budget 2007/08 to 2009/10

Appendix B

	2007/08	2008/09	2009/10
<u>New Demands 2007/08 to 2009/10</u>			
Changes to Base Identified 2005/06			
Arson Task force, remove incorrect grant assumption	92,500	0	0
GIS Mapping	2,000	0	0
Impact Roadshow	3,000	0	0
New BA Equipment	90,000	0	0
CFRMIS development for electronic files	-7,000	0	0
Firesetters Intervention	21,000	0	0
HRA Development	-5,000	0	0
RTC Awareness day	1,000	1,000	0
Rank To Role Consultancy	0	-40,000	0
Training and Performance Development	-25,000	0	0
<u>New Demands from Budget Returns</u>			
CFO Woods			
East Midlands Marketing & Fundraising	13,499	0	0
Technical Fire Safety			
Loss of fire certificate income due to FIRE Safety Order legislation	6,339	0	0
Community Fire Safety			
Risk Watch folders & risky boxes	0	15,000	0
Seatsafe Programme - training	25,000	-25,000	0
Seatsafe Programme - ongoing costs	7,000	0	0
Firesetters Programme - payment of overtime at standard rate	25,000	0	0
Firesafe Programme	0	10,000	0
Bendigo - youth intervention programme	6,000	-4,000	0
Schools Liaison - setup incl toolbox	8,000		-3,000
Neighbourhood Team approach (LAA)	26,000	24,000	0
LSP / CDP Membership	25,000	0	0
Home Safety Check Delivery	22,230	0	0
Arson Task Force	0	0	45,240
Running costs of Farnborough Road building	70,000	0	0
New Community Safety Initiatives (future years)	0	0	150,000
Media - nil change			
Operational Equipment			
Operational Equipment	17,000	0	0
Fire Foam	4,000	0	0
Hose purchase and repair	6,000	-13,000	
Asset Management	15,000	0	0
Integrated Clothing Project	385,000	-500,000	0
Annual maintenance of PPE	50,000	0	0
Less earmarked reserve	-400,000	200,000	200,000
Specialist Rescue Equipment training	20,000	12,000	-22,000

Variations to Base Budget 2007/08 to 2009/10

Appendix B

	2007/08	2008/09	2009/10
IT & Comms for ICU vehicles	10,000	-10,000	0
Environmentally friendly foam - additional cost	2,500	2,500	0
I.T.			
IT Contracts	-30,000	-20,000	0
Communications			
Phones	7,721	0	0
FireLink and RCC transition costs	300,000	-300,000	0
FireLink running costs	0	104,000	312,000
FireLink savings arising in base budget	0	0	-22,000
	0	0	-78,500
Less earmarked reserve	-200,000	200,000	0
Administration			
Postage	-1,391	-1,000	-2,000
Stationery (not stations)	12,290	-3,000	-1,000
Furniture	-1,095	-1,500	-1,000
Office Equipment	4,838	-3,000	-3,000
Office Equipment Hire & Lease	-1,467	-3,000	-1,000
Non-Uniformed Travel	22,877	4,000	4,000
Training	8,500	0	0
Human Resources			
Interview expenses	335	0	0
Disturbance Allowance	1,086	0	0
Refund of NHS Charges	2,386	0	0
Westfield Health Scheme	48,000	0	0
Recruitment Advertising	6,637	0	0
Cost of H2 Appeals (new FF pension scheme)	30,000	0	0
Functional Testing (new FF pension scheme)	15,000	0	0
ID cards - new digital camera required	200	-200	0
Childrens Act – CRB checks	5,000	0	0
Salary protection for redeployees (new FF pension scheme)	25,000	25,000	0
Regional ADC's	20,000	0	0
Occupational Health			
New post - Health Care Assistant	0	10,400	10,400
Provide annual fitness tests on Stations - Van	0	10,920	-10,920
Provide annual fitness tests on Stations - Equipment & software	0	4,080	-4,080
Ongoing running costs	0	5,000	0
Learning & Development			
Operational pay	-16,000	0	0
Moreton & Retained Junior Officers	30,000	30,000	0
NVQ	19,192	0	0
Business rates	7,000	0	0
IT training equipment	20,000	-20,000	0
E-learning	12,000	-7,000	-3,000
IT trainer	21,588	0	0

Variations to Base Budget 2007/08 to 2009/10

Appendix B

	2007/08	2008/09	2009/10
IT trainer	1,539	0	0
IT trainer	2,871	0	0
Member training	10,000	0	0
Transport			
Fuel	22,000	0	0
MOT test	95	0	0
Fleet software training & development	7,500	-2,500	0
Finance and Resources			
Audit fees	18,450	0	0
Committee Services	2,790	0	0
Chief Executive	-55	0	0
Treasury Services	5,121	0	0
Private Mileage	3,140	0	0
Members Allowances	7,350	0	0
Members Allowances	-3,100	0	0
Members Expenses	-3,859	0	0
Subscriptions LGA	260	0	0
Subscriptions – Other	3,000	0	0
Legal Expenses	32,817	0	0
RMB Budget	13,100	0	0
Finance and Resources			
Increase base to cover uninsured losses in year	40,064	0	0
FEM (P Kennell)			
1 extra technician post following expansion:	9,468	9,465	0
Fire precaution equipment	32,270	0	0
Fuel	5,293	1,000	0
Workshop charges	-62	250	0
Tyres	1,800	200	0
Uniform	989	0	0
Subscriptions	1,217	150	0
Fire Hydrant Maintenance	22,000	0	0
FEM routine maintenance	-25,646	-34,000	0
FEM equipment	-73,606	0	0
Procurement & Estates			
Planned maintenance	-54,563	-28,000	35,000
Unplanned maintenance	60,000	20,000	-10,000
Periodic service agreements	55,000	35,000	5,000
Grade 2 supplies officer:	15,825	0	0
	1,003	0	0
	2,105	0	0
Revenue costs of HQ extension	30,000	-30,000	0
Revenue costs of closing Stations 21 & 22	0	10,000	-10,000
Princes Trust			
Public transport for students	9,500	0	0

Variations to Base Budget 2007/08 to 2009/10

Appendix B

	2007/08	2008/09	2009/10
Non uniformed travel	2,000	0	0
Uniform	1,250	0	0
Subsistence	-1,150	0	0
Rent & Hire of Premises	37,000	0	0
Training	-2,000	0	0
Princes Trust Income	-155,908	0	0
Station Mtce	-1,000	0	0
Electricity	-500	0	0
Gas	-430	0	0
Business Rates	-1,120	0	0
Water	-383	0	0
Sewerage	-100	0	0
Cleaning Materials	-100	0	0
Books & Publications	-50	0	0
Phones General	-900	0	0
Operational Equipment	-60	0	0
Office Equipment	-500	0	0
Elimination of earmarked reserve	-30,000	30,000	0
Commercial Training			
Increased surplus	-5,000	0	0
Stations			
Contract cleaning & window cleaning	55,000	0	0
Stationery	26,000	0	0
Targeted Procurement Savings	0	-59,219	-4,748
Budget Requirement	41,371,708	43,319,151	44,944,587
Contribution to Balances - reinstate budget	400,000	0	0
Net Budget Requirement	41,771,708	43,319,151	44,944,587

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, such as the replacement of Personal Protective Equipment and there are no substantial general reserves beyond the working balances referred to above.

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
Fire Authority Treasurer

Budget Consultation – List of Consultees

Local Authorities

Chief Executive Gedling Borough Council – Peter Murdock
Chief Executive Broxtowe Borough Council – Ruth Hyde
Chief Executive Rushcliffe Borough Council – Alan Graham
Chief Executive Nottingham City Council – Michael Frater
Chief Executive Bassetlaw District Council – David Hunter
Chief Executive Ashfield District Council – Alan Mellor
Managing Director Mansfield District Council – Ruth Marlow
Chief Executive Notts County Council – Roger Latham
Chief Executive Newark & Sherwood District Council – Richard Dix

Emergency Services

Chief Constable Nottinghamshire Police
Chief Exec East Midlands Ambulance Service

PCTs

Wendy Saviour, Chief Executive, Nottinghamshire County tPCT, Ransom Hall, Ransom Wood Business Park, Southwell Road West, Rainworth, Mansfield Nottinghamshire NG21 OER. Tel: 01623 414114

Samantha Milbank, Chief Executive, Nottingham City Primary Care Trust, 1 Standard Court, Park Row, Nottingham, NG1 6GN

Louise Newcombe, Chief Executive, Bassetlaw Primary Care Trust, Retford Hospital, North Road, Retford, DN22 7XF, Tel: 01777 274400 (Switchboard/General Office)

Local Area Forums

Arnold
Kirkby
Newark
North Broxtowe
Retford
Selston
South Broxtowe
Sutton
West Bridgford
Netherfield

9 Nottingham City Local Area Committees

Service Manager, Neighbourhood Services – debra.sanders@nottinghamcity.gov.uk

Charitable Organisations

Nottinghamshire Deaf Society

Age Concern

St John Ambulance

RNIB

Scope

Learning Disability Partnership Board

Appendix E

Nottinghamshire Fire and Rescue Service

BUDGET SUMMARY REPORT 2007/08

DESCRIPTION	ORIGINAL ESTIMATE 2006/07	VIREMENTS		REVISED ESTIMATE 2006/07	REVERSE TEMPORARY VIREMENTS	BASE BUDGET 2007/08	POLICY ADJUSTMENTS	BUDGET 2007/08	INFLATION	CASH LIMIT 2007/08	MOVEMENT FROM REVISED ESTIMATE
	£	TEMP	PERM	£	£	£	£	£	£	£	£
		£	£								
WHOLETIME OPERATIONAL PAY	18,166,091	-109,540	4,549,049	22,605,600	109,540	22,715,140	-509,832	22,205,308	0	22,205,308	-400,292
PART TIME OPERATIONAL PAY	2,692,424	190,000	97,560	2,979,984	-190,000	2,789,984	160,625	2,950,609	0	2,950,609	-29,375
CONTROL STAFF	954,818	0	0	954,818	0	954,818	19,000	973,818	0	973,818	19,000
ADMIN & CLERICAL	3,382,963	147,090	644,975	4,175,028	-147,090	4,027,938	307,469	4,335,407	0	4,335,407	160,379
MANUAL WORKERS	157,335	0	0	157,335	0	157,335	0	157,335	0	157,335	0
OTHER EMPLOYEE EXPENSES	561,144	-36,695	2,417	526,866	36,695	563,561	168,249	731,810	0	731,810	204,944
PREMISES	1,412,923	0	0	1,412,923	0	1,412,923	185,804	1,598,727	2,918	1,601,645	188,722
OPERATIONAL EQUIPMENT	475,411	2,646	2,110	480,167	-2,646	477,521	176,440	653,961	3,000	656,961	176,794
OTHER SUPPLIES AND SERVICES	2,458,725	24,759	-1,446	2,482,038	-24,759	2,457,279	342,774	2,800,053	30,889	2,830,942	348,904
TRANSPORT	1,224,959	0	30,115	1,255,074	0	1,255,074	63,503	1,318,577	36,698	1,355,275	100,201
SUPPORT SERVICES	260,874	123,900	110,147	494,921	-123,900	371,021	103,673	474,694	2,600	477,294	-17,627
CAPITAL FINANCING	2,781,869	0	503,928	3,285,797	0	3,285,797	-436,621	2,849,176	0	2,849,176	-436,621
OTHER INCOME	-590,857	0	-86,173	-677,030	0	-677,030	-267,182	-944,212	-4,443	-948,655	-271,625
ANNUAL PENSIONS	239,493	0	0	239,493	0	239,493	203,907	443,400	0	443,400	203,907
PENSIONS CONTRIBUTIONS / TRANSFERS	4,610,000	0	-4,003,000	607,000	0	607,000	-117,086	489,914	0	489,914	-117,086
CENTRAL	1,058,919	-342,160	-1,849,682	-1,132,923	342,160	-790,763	1,452,232	661,469	0	661,469	1,794,392
	39,847,091	0	0	39,847,091	0	39,847,091	1,852,955	41,700,046	71,662	41,771,708	1,924,617

Contingency sums 2007/8 and projected levels of Reserves and Balances at 31/3/2008

Earmarked Reserves	£000's
Pensions *	411.8
Personal Protective Equipment	200.0
Modernisation Reserve *	190.0
Co-Responding Reserve *	78.2
Watch Manager Role Changes *	50.0
Fire Safety *	64.0
Community Safety *	200.0
I.T Systems *	25.2
CPD Reserve *	75.0
Ill Health/Injury Reserve	50.0
Total	1,344.2

Items marked * are likely to be spent in 2007/2008 and therefore may not appear in the final balance.

Revenue Balances	£000's
2004-2005 Balance	900.0
2005-2006 Balance	500.0
Surplus/Deficit Contributions	475.0
General Reserve B/F	366.0
Revenue Reserve 2006-2007	160.0
Total	2,401.0

Centrally Held Contingencies (Unallocated)	£000's
Pay Awards	1,018.0
Shift Change	27.0
IRMP1	105.8
IRMP2	84.0
Community Safety Contingency	84.0
Driving at Work	70.0
24/7 I.T Support	30.0
Salary Protection	25.0
Total	1,443.8

All of the above contingencies will be allocated during 2007/2008.