



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

REVENUE BUDGET AND COUNCIL TAX CONSULTATION 2010/11

Report of the Chief Fire Officer

Agenda No:

Date: 9 October 2009

Purpose of Report:

The revenue budget for 2010/11 was effectively set in February 2009 as part of a three year financial plan. The assumptions underpinning this budget were confirmed by the Fire and Rescue Authority at its meeting of 4 September 2009 and it is considered important for a process of consultation to begin as soon as possible in order that the consultation is relevant to the production of the final budget. This paper seeks to discuss the budget framework in more detail and to propose a range of consultation options to Members.

CONTACT OFFICER

Name : Neil Timms
Head of Finance & Resources
Tel : (0115) 967 0880
Email : neil.timms@notts-fire.gov.uk

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

1. BACKGROUND

- 1.1 The Fire and Rescue Authority set a three year budget in February 2009 and have recently confirmed the overall framework for the development of the revenue budget for 2010/11. Work is presently being undertaken throughout the Service to identify any required changes in the underlying detail of the budget and to identify and implement any efficiency savings and opportunities for 'recycling' of funds.
- 1.2 Nevertheless, the overall picture of the budget is becoming clear and it is appropriate that a process of consultation is undertaken with stakeholders in order that their views may be considered properly before the budget is finalised. In previous years this process has taken place after the detail of the budget is known, which leaves little time for meaningful consultation or indeed space within the timetable for the views of individuals and groups to be fully considered.
- 1.3 The purpose of this paper is to discuss the underlying objectives of the budget and to consider the options for consultation. The full detailed budgets for 2010/11 as presented to the Fire Authority in February 2009 are attached as Appendices A and B to this report.

2. REPORT

Proposed Guidelines

- 2.1 The following guidelines were approved by the Fire Authority for use by the Finance and Resources Committee in its development of the budgets for the coming three years:
 - i) Continue to maintain a Capital Programme of approximately £5m on average in accordance with the sustainable capital plan.
 - ii) Council Tax increases to be in the range 0% to 3% for 2010/11 to 2012/13.
 - iii) Any use of balances to be matched by planned reductions to take place in later years.
 - iv) Existing budgets to be re-engineered where possible to take account of inflationary pressure.
 - v) Estimates of costs for Firelink and Regional Fire Control to be produced as soon as possible and incorporated into budgets.
 - vi) Finance and Resources Committee identify and monitor opportunities for efficiency savings.
- 2.2 The priorities for budget development will be:-
 - i) IRMP Outcomes
 - ii) Financial Stability
 - iii) Partnership Working
 - iv) Equalities

Budget and Business Objectives

- 2.3 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. 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 2010-2013 Service Plan. The budget must also result in a reasonable level of Council Tax and avoid placing the Authority at risk from capping.
- 2.4 The Authority has recently carried out a major consultation exercise with regard to the Integrated Risk Management Plan which sets out the 6 main objectives of the Service where resources will be targeted. Respondents were specifically asked for their views on a number of areas which were:
- i) Our Community Links
 - ii) Working with partners
 - iii) Business continuity
 - iv) Financial Stability
 - v) Operational availability
 - vi) False alarm calls
 - vii) Stations and Equipment
- 2.5 The results of this consultation process which were reported to the Fire Authority in September, will inform the final Integrated Risk Management Plan (The Service Plan) and cause resources to be allocated or reallocated to areas of the highest priority.
- 2.6 Consultees cannot be expected to contribute directly to the detail of the budget. Indeed one of the criticisms of previous consultations has been that they have been too detailed and so it is these service priorities which are to be consulted on as well as the impacts upon the levels of Council Tax.

Financial Profile and Environment

- 2.7 Given many of the staff employed in the Service provide a range of different services depending on demand – ie: operational crews do community safety work and some support services personnel provide operational cover – it is difficult to be precise about how much money is spent on each aspect of the service. However, the final accounts give a good indication of this split. After allocating support costs across the Service the split of net expenditure shown in the final accounts for 2008/9 is:

| | |
|----------------------------|-------|
| Operational Response | 82.5% |
| Community Safety | 14.9% |
| Civil Defence and Planning | 1.5% |
| Corporate Core | 1.1% |

- 2.8 These figures clearly show the general split of expenditure, but it must be borne in mind that this is after allocations have been made to the front line service for certain of the 'back office' services, such as direct personnel support.

Nevertheless, they still provide a good general guide and this ratio of spending between activities is largely as would be expected given that over two thirds of staff are employed in the operational side of the Service and all costs associated with fire appliances and fire stations will fall into this category.

- 2.9 Central Government announced their intentions in respect of Revenue Support Grant (RSG) in 2007/8 and therefore the settlement figures for 2010/11 are known. Beyond this date there have been no figures announced and the outlook is for somewhat lower settlement figures in future years. The total amount of grant receivable by the Authority in 2010/11 will be £25,009,684 if the previously announced levels of grant remain unaffected by public sector spending reductions.
- 2.10 The proposed revenue budget for 2010/11 was estimated as £47,991,327, which represents an increase overall of just under 4% and would have required a Council Tax increase of between 2.5-3.5%. The reason that a range is being used is that whilst grant levels are pre-notified, the Council Taxbase itself can vary slightly from year to year which may reduce or increase the percentage slightly.
- 2.11 Economic conditions have changed significantly from those under which this budget was proposed and as set out in paragraph 2.1 above the range of proposed Council Tax increases has been narrowed to between 0% and 3%. The economic conditions have gone some way to helping the authority achieve lower levels of tax increase and it is already known that some £335,000 can be removed directly from the budget to take account of lower pay increases and reduced rates of inflation. In addition, Central Government have provided a long term grant of £136,000 to fund the anticipated additional costs of the new radio system which was unexpected. This means that the original budget proposal of £47,991,327 can be reduced to £47,520,327.
- 2.12 All of this means that, assuming levels of grant remain as predicted, a Council Tax increase within a lower range of 0-3% can be set as a target outcome.

Items Upon Which to Consult Stakeholders.

- 2.13 Consultation is a complicated process and whilst significant improvements were made during the 2009/10 budget process feedback from consultees, particularly City Area Committees shows that there is little appetite for this. People have little idea in general how much Council Tax for the Fire and Rescue service could be or should be and therefore have no views to offer. There is much more interest in what their taxes are actually spent on which is of course driven entirely by the IRMP. The IRMP process has already consulted very widely and there seems little point in merely repeating this process.
- 2.14 It is proposed therefore that the Authority should present its consultations around the budget as an information item to area committees etc. which tells them specifically for their area what the risks are as the FRS sees them, what is done to manage and mitigate these risks and then as part of that presentation discusses the financial aspects. It will mean by definition that the discussion around the budget will be somewhat "lighter weight" but it will at least be contextualised for the participants.

- 2.15 Broadly the Authority is looking for stakeholders views on adopting a strategy of protecting the provision of services even if this means rises in Council Tax of up to 3%.
- 2.16 It is also likely of course that stakeholders will also express a view about the priorities that the service have adopted even though this has already been covered thoroughly in the IRMP consultation.

Consultation

- 2.17 Unlike the City and County Councils, which have large budgets and similarly large consultation frameworks, it is not possible for the Fire Authority to consult as widely as they do without disproportionate cost. The Authority for example, has a population of over 1 million people to consult, compared with the City at approximately 300,000 and the County at 700,000. There is also a lack of awareness amongst the general public of the range of services the fire and rescue service delivers outside of the emergency response. Fire and Rescue Authority consultations therefore will need to be focussed more sharply and designed carefully to get the best value from these consultations.
- 2.18 Extensive consultation on the IRMP has already been carried out and therefore it is not considered effective use of resources to repeat or extend this process further. However, offering a number of committee attendances and personal visits which are targeted at particular areas might be more appropriate.

Who to Consult

- 2.19 In developing the Consultation Policy and procedures, some key questions about consultation were considered. These have influenced the approaches that will be employed. These questions were:
- § Why are we consulting?
 - § Who should we consult with?
 - § What results do we expect?
 - § What will we do with the results?
- 2.19 The Authority serves over 1 million residents in a major City and County, across a diverse range of ethnic and socio-demographic groups. This presents a challenge in terms of inclusion and engagement. However, the City and County Councils have established local groups and forums which the Service can use to inform some of its consultation. In both City and County there are 60+ Councils and Committees and the number of these groups makes it difficult for them all to be visited.
- 2.20 The following consultation approaches are some that may be employed:
- § Focus groups;
 - § Critical friends;
 - § Representative groups (including stakeholders);
 - § Collaboration with partners existing consultation arrangements.

2.21 A Focus group was used in 2008 which was quite successful but really only revealed two important points the first being that people were far more interested in the service than the budget and the second being that they would all have given the Authority more than was being asked for. Again little enthusiasm for budgetary matters. This group has already been used again for IRMP consultation and it is not proposed that focus groups are used again this year.

2.22 Critical friends can be a valuable source of consultation and have not yet been used by the Authority as it has been difficult to find people to take on this role.

2.23 Representative groups can provide some very useful information. Examples of representative groups include:

- § Asian Forum;
- § Afro Caribbean Family and Friends Association;
- § District Councillors;
- § Local Area Forums/Committees;
- § Shelter;
- § Mind;
- § RNID;
- § RNIB;
- § Other groups representing people with disabilities;
- § Staff;
- § Trade Unions;
- § Parish Councils;
- § Chamber of Commerce;
- § Confederation of Small Businesses;
- § Nottingham Disabled Peoples Movement;
- § NAVO.

2.24 The following bodies will be consulted by post:

- § District Councils;
- § Parish Councils;
- § Chamber of Commerce (invited to precept consultation);
- § Confederation of Small Businesses (invited to precept consultation);
- § NAVO (may invite to focus group);
- § Trade Unions;
- § Staff.

This is a reliable process for such organisations and the Service can anticipate a reasonable response making this a meaningful option.

2.25 The City and County Councils and the Police will be consulted by post, but will be offered an opportunity to discuss matters with senior officers/Elected Members if they wish. This reflects both the populations they serve and their importance as partners.

2.26 Local Area Forums (2) and Area Committees (3) should be offered a visit by a senior officer/Elected Member.

2.27 A specific tailored document will drawn up based on the IRMP document which will reflect the local position of each of the consultees.

3. FINANCIAL IMPLICATIONS

There are some small financial implications of carrying out a limited consultation process such as this, but they will be limited to small payments to members of focus groups/critical friends and refreshments etc.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications directly arising from this report, however budget being made available for additional staff, overtime, pay increases etc., means that such implications as there are for staff are properly resourced.

5. EQUALITY IMPACT ASSESSMENT

There are no negative impacts arising directly from this report. However, in order for the consultation process to be meaningful, it is correct that representative groups are included in the consultation. A full assessment will be carried out once these consultations have taken place.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

There is always a risk that the Authority may fail to properly consult with representative groups and therefore leave Council Taxpayers unaware of the reasons for tax rises. This in turn may undermine confidence in the Authority.

9. RECOMMENDATIONS

It is recommended that Members:

- 9.1 Approve the matters to be consulted on as set out in this report.
- 9.2 Approve the list of consultees set out above.

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

None.

Frank Swann
CHIEF FIRE OFFICER

Original Capital Programme for 2010/2011

| | 2010/11 £ |
|---|-------------------------|
| TRANSPORT | |
| Rescue Pump replacement programme | 1,030,000 |
| Special Appliances | 420,000 |
| Small vehicle replacement programme | 257,982 |
| | <u>1,707,982</u> |
| PROPERTY | |
| Ashfield Fire Station | 150,000 |
| East Leake Fire Station | 300,000 |
| Blidworth Fire Station | 300,000 |
| Bingham Barn | 10,000 |
| Mansfield Rear Buildings | 250,000 |
| Major Rebuilds – Carlton | 1,750,000 |
| Temporary accommodation for Carlton | 75,000 |
| Sale of Carlton House | - 100,000 |
| Furniture & other revenue items | 40,000 |
| Professional fees 6% of total capital expenditure | 164,100 |
| Retentions 2.5% of total capital expenditure | 68,375 |
| | <u>3,007,475</u> |
| IT. & COMMUNICATIONS | |
| Business Continuity & Disaster Recovery | 30,000 |
| Business Expansion | 40,000 |
| Replacement Equipment | 90,000 |
| Business Process Automation | 25,000 |
| | <u>185,000</u> |
| GRAND TOTAL | <u><u>4,900,457</u></u> |

Proposed Revenue Budget Requirements 2008/2009 to 2010/2011 – Detail

| Description of Change | 2010/11 |
|---|-------------------|
| | £ |
| Base Budget 2009/2010 | 46,329,813 |
| Wholetime Basic | 459,270 |
| Wholetime NI | 36,993 |
| Wholetime Super old scheme | -138,155 |
| Wholetime Super new scheme | 82,295 |
| Wholetime Overtime | 7,582 |
| Wholetime Temp promotions | 2,744 |
| Wholetime Acting up | 1,117 |
| Wholetime Bank Holidays | 5,461 |
| Control Basic | 22,044 |
| Control Overtime | 726 |
| Control NI | 1,728 |
| Control Super | 3,198 |
| Retained Pay and NI costs | 81,065 |
| Retained Super new scheme (based on last years actuals) | 5,051 |
| Principal Officers Basic | 11,233 |
| Principal Officers NI | 1,252 |
| Increment Basic Pay | 67,375 |
| Pay Award Basic Pay | 107,062 |
| Increment NI | 6,408 |
| Pay Award NI | 10,203 |
| Increment Super | 10,847 |
| Pay Award Super | 16,488 |
| Increment Basic Pay RSO's & RLMs | 1,847 |
| Pay Award Basic Pay RSO's & RLM's | 1,436 |
| Increment NI RSO's & RLM's | 168 |
| Pay Award NI RSO's & RLM's | 131 |
| Increment Super RSO's & RLM's | 297 |
| Pay Award Super RSO's & RLM's | 231 |
| Increment Basic Pay Cooks | 1,698 |
| Pay Award Basic Pay Cooks | 3,258 |
| Increment NI Cooks | 154 |
| Pay Award NI Cooks | 297 |
| Increment Super Cooks | 273 |
| Pay Award Super Cooks | 525 |
| Reduction in income budget re seconded & funded posts | -3,599 |
| Job Evaluation Contingency top up | 10,000 |
| Injury Allowance | 11,034 |
| Injury Allowance Increase | 19,143 |
| Pension payments from Revenue | 930 |
| Ill health charges | 1,513 |
| General Inflation (see Inflation Nonpay worksheet) | 75,065 |
| Other Items | -9,956 |
| Operating Leasing | 20,255 |
| PWLB Interest | 148,714 |
| Finance Leases | 28,495 |
| MRP New calculations | 238,000 |
| Development of Neighbourhood Working | 2,000 |

| Description of Change | 2010/11 |
|---|----------------|
| | £ |
| Implementation of Officers partnership working - pay | 5,000 |
| Cleaning Contract Central Fire Station | 300 |
| Spoilt Meals - Central & Stockhill | 200 |
| Road Safety Education | -5,000 |
| RTC awareness days | -2,000 |
| School liaison | -8,000 |
| Specialist FI training | -3,000 |
| FSC - CS courses BTEC fees | 1,000 |
| Child protection and vulnerable persons training for prevention staff | -2,000 |
| CS Innovation/ Research development work | -6,083 |
| Equipment | -1,205 |
| Training | 2,500 |
| Sharepoint training in base 09/10 one yr only | -20,000 |
| External Training Providers | -20,000 |
| Public Consultation | -10,000 |
| Professional Subscriptions | 6 |
| Insurance Services | 345 |
| Insurance Claims Handling Fees | 175 |
| Firelink Charge | 11,564 |
| Fire Museum Mansfield | 1,000 |
| Ceremonial Squad: travel, uniform, flags, accommodation | 1,000 |
| Long Service Awards | 2,250 |
| Bounty Schemes | -8,077 |
| Employee Benefits Scheme | -4,000 |
| General Expenses | -7,200 |
| General Expenses | -2,000 |
| Fleet software training | -6,500 |
| Travel and subsistence | -11,000 |
| Fleet training | -6,000 |
| Occupational Health Services | 1,160 |
| Professional Subscriptions | 30 |
| CPD / Short Courses / Seminars | 250 |
| Health & Safety Equipment | 42 |
| Advertising & Marketing | 5,000 |
| External Training Providers | 5,000 |
| Targeted Procurement Savings | -5,000 |
| Legionnaires Risk Management | -17,000 |
| Energy Certificates | 81 |
| Pressure Washer Contract | 118 |
| Appliance Room Doors Contract | 106 |
| Hygiene Contract | 450 |
| Lamping Contract | 600 |
| Gates Contract | 90 |
| Extraction Equipment Contract | 24 |
| Air Conditioning Contract | 210 |
| Boiler Contract | 90 |
| Pest Control Contract | 150 |
| Chimney Contract | 169 |
| Generators Contract | 160 |
| Washing Machine Contract | 75 |
| Kitchen DeepClean Contract | 255 |
| Alarm System Contract | 258 |

| Description of Change | 2010/11 |
|---|----------------|
| | £ |
| Building Maintenance Planned | 11,259 |
| Rent & Hire of Premises | 2,190 |
| Business rates | 14,500 |
| Water | 520 |
| HQ Catering contract - fixed | 2,045 |
| FEM Routine Maintenance | -500 |
| FEM Equipment | -4,714 |
| FEM Fire Precaution Equipment | 2,073 |
| FEM Cleaning Materials | 1 |
| FEM Fuel | 466 |
| FEM Non Uniformed Travel | 93 |
| FEM Non Stationary | 40 |
| FEM Non Subscriptions | 65 |
| FEM Training | -2,120 |
| FEM Tyres | 45 |
| FEM workshops | 62 |
| FEM Subsistence | 150 |
| FEM Phones Officers | 12 |
| FEM uniformed | 3 |
| MOT tests | 9 |
| Officers Blue Light Installation | 31,505 |
| Fleet maintenance | 20,950 |
| Fleet modifications / refurbishment | 1,500 |
| Accidents / avoidable repairs | 1,300 |
| Motor tax licences | 100 |
| Tyres | 2,000 |
| Minor fleet maintenance | 100 |
| Vehicle equipment | 225 |
| Principal Officers car maintenance | 100 |
| Officers Blue Light Installation | -11,800 |
| Hire of Vehicles | 500 |
| Subsistence | 100 |
| Workwear / PPE | 50 |
| Fleet software training | -1,000 |
| On board vehicle battery chargers | -47,000 |
| Uniform for new recruits | 1,250 |
| PPE for new recruits | 3,750 |
| Replace main line branches | 80,000 |
| Maintenance of flood PPE | -15,000 |
| Extend co-responder scheme | -15,000 |
| Improvement of respiratory protection | 20,000 |
| Inner Cordon Equipment | -20,000 |
| Personal Protective Equipment - new kit | 30,000 |
| Personal Protective Equipment - new kit | 37,000 |
| Licences & Rental - use of the Ordnance Survey Maps | 250 |
| New Post - Service Desk Supervisor | 610 |
| Audit Fees | 2,009 |
| Treasury Services | 4,406 |
| New Post - Environmental Officer NHI | 152 |
| New Post - Environmental Officer SUP | 304 |
| New Post - Environmental Officer Pay | 1,023 |
| City Hydrants | -18,600 |
| Uniforms | 20 |
| Tyres | 20 |

| Description of Change | 2010/11 |
|-----------------------------------|-------------------|
| | £ |
| Workshop | 20 |
| Overtime | 2 |
| Income from Private Inspections | -20 |
| Total of Changes to Budget | 1,386,514 |
| Contribution to Balances | 0 |
| Surplus deficit on collection | |
| Initiatives from IRMP | 275,000 |
| Net Budget Requirement | 47,991,327 |