



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

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

# **BUDGET PROPOSALS FOR 2013/2014 TO 2015/2016 AND OPTIONS FOR COUNCIL TAX**

Report of the Chief Fire Officer

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**Agenda Item No:**

**Date:** 11 January 2013

**Purpose of Report:**

To allow Members to consider the options for the recommendation of a balanced revenue budget over the next three years to the Fire Authority for acceptance. Implications for Council Tax are also considered.

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## **1. BACKGROUND**

- 1.1 The Finance and Resources Committee is charged with considering the financial position of the Authority and proposing revenue and capital budgets to the Fire Authority for approval. The Fire Authority will also decide upon levels of Council Tax for the coming year and will consider the recommendations of the Finance and Resources Committee in doing so.
- 1.2 The Fire Authority issued budget guidance to the Finance and Resources Committee to enable budget planning to begin and officers have worked to develop budget plans within those parameters.
- 1.3 In late December the government announced the provisional grant settlement for 2013/2014 and for 2014/2015 which gives some certainty to budget planning those years. Another spending review is expected for 2015/2016 and therefore it is difficult to plan with any precision for this final year of the Medium Term Financial Strategy.

## **2. REPORT**

### **Capital Budget proposals 2013/2014 to 2015/2016**

- 2.1 The Authority maintains a sustainable Capital Programme that has been planned 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 proposed Capital Programme for 2013/2014 to 2015/16 is as follows:

	<b>2013/2014 £s</b>	<b>2014/2015 £000's</b>	<b>2015/2016 £000's</b>
<b>Transport</b>			
Rescue Pump Replacement	1,221,600	1,263,200	1,282,400
Special Appliance Replacement	816,250	0	0
Light Vehicles	444,570	350,750	292,430
<b>Total Transport</b>	<b>2,482,420</b>	<b>1,613,950</b>	<b>1,574,830</b>
<b>Equipment</b>			
Replacement Cutting Equipment	0	0	750,000
<b>Total Equipment</b>	<b>0</b>	<b>0</b>	<b>750,000</b>
<b>Property</b>			
Rebuild, Refurb	2,200,000	2,310,000	2,315,500
<b>Total Property</b>	<b>2,200,000</b>	<b>2,310,000</b>	<b>2,315,500</b>
<b>Information Technology</b>			
Replacement HR System	150,000	0	0
Business Continuity	30,000	30,000	30,000
Information systems development	0	100,000	100,000
Business Expansion	25,000	25,000	25,000
Replacement Equipment	85,000	85,000	85,000
Business Process Automation	150,000	0	0
Mobile Data Devices	75,000	0	0
<b>Total Information Technology</b>	<b>515,000</b>	<b>240,000</b>	<b>240,000</b>
<b>Total Programme</b>	<b>5,197,420</b>	<b>4,163,950</b>	<b>4,880,330</b>

2.3 Rescue pump renewals follow the usual practice of replacing four pumping appliances each year on a rolling basis to ensure that no appliance older than 12 years is in the fleet. The issue of targeted response vehicles has yet to be concluded and it is possible that some of this budget may be used to purchase this type of appliance should they be seen to be appropriate.

2.4 £650,000 of the special appliances budget relates to the aerial appliance due to be completed by June 2013 with £120,000 allocated to the Command Support Unit and a £40,000 to the upgrade of the flood response capability at Newark. The remaining budget of approximately £6,000 is to provide equipment for the Water Bowser due to be completed in 2012/2013.

- 2.5 The budget for light vehicles covers all non-HGV type vehicles from pool cars to station vans all of which are on a standard replacement programme which was examined in detail during 2011/2012.
- 2.6 The cutting equipment currently in use will have been in service for about 10 years by 2015/2016. Whilst spares are anticipated to still be available there remains an issue of technical obsolescence which will need to be considered. This budget provides for the possibility of this equipment being replaced.
- 2.7 The largest single item in the ICT Programme remains the replacement of the HR system which no longer meets the requirements of the service. The £150k in 2013/2014 represents the final phase of this project. A similar amount has been set aside for what is referred to as the business process automation project. This essentially relates to the purchase of some 'middleware' which will enable business processes to be streamlined to meet the service's aspirations to continue to deliver improved services within a shrinking resource envelope. It still remains possible that the middleware purchased as part of the tri-service control project may be suitable for this purpose and this will be used if possible.
- 2.8 Mobile Data Devices are to be implemented as part of the tri-service control project for whilst not actually part of the project per se implementation at the same time will be more cost effective. These devices will allow officers and crews to access up to date information in much the same way that the mobile data terminals do on front line appliances.
- 2.9 Budget is also set aside for the general replacement of ICT equipment as well as a small amount of business growth in this area. From 2014/2015 onwards there is acknowledgement within the budget of the need to continue to develop business systems within the service beyond those specifically related to HR and Control. The estimates of £100k in each year provide a broad estimate of what may be required even though specific projects have yet to be identified.

### **Revenue Budgets 2013/2014 to 2015/2016**

- 2.10 The Authority had been faced with significant budget reduction targets over the years from 2011/2012 to 2014/2015 and these have been factored in to previous budgets for 2011/2012 and 2012/2013. As part of a longer term financial plan the Authority has undergone a significant restructure both of back office and front line services to achieve these savings over a period of years.
- 2.11 Due to the uncertainties around the 2013/2014 settlement and the impact of changes to both Council Tax and Business Rates it was decided to maintain, as far as possible, those existing budget assumptions to provide organisational stability and to take up any shortfall by the use of balances.

2.12 Nevertheless there have been changes to the underlying assumptions within the budget plans for 2013/2014 and 2014/2015 as previously published and these are as follows:

	2013/2014 £m	2014/2015 £m	2015/2016 £m
Requirement Identified in 2012/2013 budget	44.393	43.986	n/a
Requirement now calculated	43.947	44.256	44.792
Difference	-0.446	+0.270	n/a

2.13 Member may recall however that the base budget requirement for 2012/2013 was £46.494m and therefore the requirement for 2013/2014 represents a reduction of £2.547m on this figure. A full list of budget variations showing a breakdown of all the changes to base budgets being proposed over the three year period is given as Appendix A to this report but summarises broadly as follows:

Changes to Base Budgets	2013/2014 £000's	2014/2015 £000's	2015/2016 £000's
Adjustments to Contingencies	3	0	0
Minor Adjustments	83	0	-8
Changed Requirements	106	0	1
Additional Requirements	295	81	121
Inflation	382	452	415
Approved by CMB	196	-175	-35
Effects of previous decisions	-96	99	0
One Year Reversing Items	88	-92	-37
Pay increments	52	29	21
Revenue contributions to capital	-1,344	-2,027	97
Replacement Equipment	64	-28	-34
Savings	-1,560	-31	-5
Transactions with reserves	-816	2,000	0
Total	-2,547	308	536

2.14 The minor adjustments figure of £83,000 relates to the recalculation of previous budget estimates in the light of better information being available since these estimates were made in 2012 or where items should have been included in the estimates but were excluded in error.

2.15 The changed requirements heading reflects items that were included in the budget but where the basis for the inclusion has now changed. The most significant of these is the loss of income of £106,000 from the CLG for a seconded officer where the secondment has now ended. There is however a corresponding reduction in costs as this officer has now retired and not been replaced.

2.16 Growth is clearly an area in which Members will be interested as this represents areas of the budget which are increasing beyond the 2012 estimates. These areas are therefore set out in detail in the table below:

<b>Additional Requirements</b>				
<b>Heading</b>	<b>2013 2014 £000's</b>	<b>2014 2015 £000's</b>	<b>2015 2016 £000's</b>	<b>Reason</b>
CCTV on vehicles	5	0	0	Health and Safety Requirement
Building Maintenance	86	0	0	Estates budget has been reduced by £70k but has had no inflation applied for three years. This amount enables this budget to recover the inflation element.
Officers Car Leasing	19	0	0	Costs in prior years have been artificially low due to officers anticipating a provided car scheme.
Pension Costs	36	0	40	Based on the assumption of 1 Ill Health retirement in 2013/2014 and 1 in 2015/2016
Insurance Costs	25	0	0	General Rises in premiums
Occupational Health	18	0	0	Discontinued seafarers medicals for which income was received.
Job Evaluation	20	20	20	Assumes changes in roles from restructure.
Trading Co Dividend	15	0	0	Removal of budget assumption
Auto Enrolment	0	5	0	Cost of enrolling previously opted out members of the pension scheme
Cuts to Community Safety Budgets unobtainable	24	0	0	Areas of the previous £300k reductions in this budget which cannot be achieved.
Tri-Service Control	33	-3	0	Specific costs relating to the upgrade of the wide area network
Extra Bank Holidays	0	31	61	The effect of easter moving between financial years.
Motor Insurance	0	52	0	Additional Insurance premium already forecast
Interview Expenses	0	1	0	External recruitment
Special Service Charges	0	-25	0	Review of charges should result in increased income
MDT Update System	14	0	0	Safety requirement for improvements to update service.
<b>Total</b>	<b>295</b>	<b>81</b>	<b>121</b>	

- 2.17 Inflation broadly divides into two areas the largest of which is pay inflation which has been assumed to run at 1% for each of the following three years. This takes up £223k, £328k and £332k of the total inflation figures. Of the remainder fuel price inflation constitutes the largest amount (£58k, £30k and £32k), followed by the CPI effects of injury allowances (£16k, £12k and £12k). Also within this heading is the anticipated rise in cleaning costs of (£51k, £3k and £6k) following the re-tender which will be carried out in 2013/2014.
- 2.18 Approvals by CMB show those items which have been submitted to the management team for approval and are generally concerned with the implementation of previously agreed budget reductions. There are essentially two items the first of which is the appointment of three watch manager roles (£192k, -£156k and -£36k) to temporarily expand the establishment of the Fire Safety Department until such time as the Non-Uniformed inspectors are properly qualified. Secondly there is a requirement to increase the budget for consultation on the IRMP for one year only (£52k).
- 2.19 The effects of previous decisions largely relate to two items of income the first being the expected additional interest yield of £75k in 2013/2014 which is reduced back by £39k in 2014/2015. Secondly there has usually been a surplus on the collection fund of approximately £57k which been assumed to continue although this is not certain given the issues around Council Tax Benefits. The one item of expenditure under this heading is that of business rates on new, revalued or refurbished properties (£37k, £60k and £10k).
- 2.20 Single year reversing items are one off costs which generally only affect the 2013/2014 budget and reverse out in future years. Amounts shown under this heading are £10k for the biennial equal pay review, £20k for the recruitment of two principal officers and £58k for operational equipment.
- 2.21 Pay increments are the annual increases in the salaries of non-uniformed staff who are on pay scales as opposed to pay points. The falling nature of this amount over the three year period is indicative of staff reaching the top of their grades.
- 2.22 Revenue contributions to capital largely take account of the reversals of previous years' contributions which are no longer being made (hence the large credits). In terms of the 2014/2015 figure this is offset by the transactions with reserves figures.
- 2.23 Replacement equipment relates chiefly to three items. The replacement of chemical protection suits (£55k), the replacement of tyre compressors (£8k) due to the higher rating requirements of Scania appliances and some small equipment replacements in media services.

2.24 In terms of savings the following areas combine to generate the sums shown:

<b>Budget Savings</b>			
<b>Heading</b>	<b>2013/2014 £</b>	<b>2014/2015 £</b>	<b>2015/2016 £</b>
Net change to Wholetime pay from FCR / restructure	-697,724	0	0
Net change to Admin pay from restructure	15,909	-4,881	0
Net change to Retained pay from FCR	-383,131	0	0
Net change to Control pay from restructure	-34,328	0	0
Other minor items	-11,642	0	0
One less bank holiday	-16,332	0	0
Media Services - printing savings plus online distribution of Council Tax leaflet	-24,093	0	0
Transport - motor tax / PPV & LPP for reserve fleet / fleet modifications	-25,705	-1,555	0
Equipment - various savings identified in 2011	-9,000	0	0
Insurance - arising from improved claims record in areas other than motor	-10,240	-2,700	0
Base budget review of employee benefit schemes	-13,897	0	0
Recruitment advertising costs reduced due to electronic methods	-5,500	-5,000	0
Base budget review of FireLink costs and grant funding	-85,541	0	0
External audit fees	-23,990	0	0
Members' allowances reduced post-RMB, LGA membership cost has reduced	-22,548	-1,323	0
Consultancy fees budget reduced to cover only regular, on-going costs	-23,125	0	0
Legal fees budget will normalise post-Dunkirk	-46,600	0	0
Learning and Development- identified in 2011, less staff post-FCR/restructure	-80,233	0	0
Review of utilities budgets, savings in gas identified	-40,000	0	0
Income generated from solar panels	-10,000	-5,000	-5,000
Income from premises rental identified in 2011	-9,000	0	0
Pensions costs	0	-9,653	0
<b>Total</b>	<b>-1,559,520</b>	<b>-29,112</b>	<b>-5,000</b>



2.25 The remaining figures for transactions with reserves are essentially accounting transactions reflecting the use of or contribution to reserves in previous years. These are required to be 'written back' into the base budget.

### Financing the Budget

2.26 The Authority receives income from Revenue Support Grant, Business Rates and Council Tax. The government usually make announcements as to the levels of business rates and revenue support grant that will be paid at the beginning of December however this year the announcement was delayed until 21<sup>st</sup> December and detailed settlement figures were unavailable until some time later.

2.27 The figures are very complicated this year due to the changing rules relating to Council Tax Benefit (support) and business rates and therefore direct comparisons to previous years are slightly more difficult. Nevertheless the amount of grant to be received is as follows:

	2013/2014 £	2014/2015 £
Revenue Support Grant	11,790,300	12,141,285
Business Rates Baseline Funding	7,843,767	9,527,258
Council Tax Benefit Support	3,504,341	0
Council Tax Freeze Grant 2011/2012	579,814	579,814
<b>Total Grant Yield</b>	<b>23,718,222</b>	<b>22,248,357</b>

The above figures are however somewhat misleading in that whilst overall grant figures of £23.7m and £22.2m look quite attractive compared with the current level of grant funding they include £3.5m of Council Tax Support Grant which is an additional grant to take account of falling council tax bases due to the localisation of this support. The underlying grant figures are therefore much lower. It is also noticeable that the £3.5m grant is absorbed into general grant in 2014/2015.

2.28 There is still some uncertainty around the levels of Band D taxbase across the Authority's area as neither City nor District Councils are obliged to release their actual taxbases until February 2013 and most of these have yet to be agreed by full council meetings. Nevertheless it has been possible to obtain estimates which show that the Council Tax yield for 2013/2014 would be £20,245,246 if council tax is sustained at £69.69 per band D property. This compares with a yield of £23,293,833 for the same level of council tax in 2012/2013.

2.29 Government have however offered a further Council Tax freeze grant for those authorities that do not increase their council tax. This is £234,073 for the Fire Authority which broadly equivalent of what a 1% rise would have been in 2012/2013.

2.30 The Secretary of State has also announced that if the authority is seeking to have a Council Tax rise above 2.0% it must hold a referendum to gain local democratic support for such a rise. For all practical purposes Council Tax can only rise by 0% or

1.9% without the requirement for a referendum which is the position that was anticipated at the last Finance and Resources Committee meeting.

- 2.31 Putting all of the figures together for the two years where grant levels have been declared the financial position looks reasonably healthy in 2013/2014 but fairly bleak for 2014/2015 as shown in the following table:

	2013/2014	2014/2015	Assume a 1.9% rise in 2014/2015
<b>Freeze Council Tax and take the grant</b>			
Revenue Support Grant	11,790,300	12,141,285	12,141,285
Business Rates Baseline Funding	7,843,767	9,527,258	9,527,258
Council Tax Support	3,504,341	0	0
Freeze Grant 2011/2012	579,814	579,814	579,814
Freeze Grant 2013/2014	234,073	234,073	234,073
Council Tax Yield	20,245,246	20,245,246	20,628,712
Total Funding	44,197,541	42,727,676	43,111,142
Budget Requirement	43,947,188	44,255,660	44,255,660
<b>Surplus</b>	<b>250,353</b>	<b>0</b>	<b>0</b>
<b>Deficit</b>	<b>0</b>	<b>1,527,984</b>	<b>1,144,518</b>
<b>Raise Council Tax by 1.9%</b>			
Revenue Support Grant	11,790,300	12,141,285	12,141,285
Business Rates Baseline Funding	7,843,767	9,527,258	9,527,258
Council Tax Support	3,504,341	0	0
Freeze Grant 2011/2012	579,814	579,814	579,814
Freeze Grant 2013/2014	0	0	0
Council Tax Yield	20,628,712	20,628,712	21,020,657
Total Funding	44,346,934	42,877,069	43,269,014
Budget Requirement	43,947,188	44,255,660	44,255,660
<b>Surplus</b>	<b>399,746</b>	<b>0</b>	<b>0</b>
<b>Deficit</b>	<b>0</b>	<b>1,378,591</b>	<b>986,646</b>

- 2.32 The situation revealed by the above table gives serious cause for concern in 2014/2015 whichever option is taken for Council Tax although it is perhaps impractical to assume that there would not be a rise in Council Tax in 2014/2015. If there was to be a rise and if this was kept below 2% then the 2014/2015 deficit would be reduced to £1,144,518 with a zero increase in 2013/2014 and £986,646 with a 1.9% increase in 2013/2014.
- 2.33 One of the most critical figures in the above table is that for the Council Tax yield. The above figures are based upon the estimates provided by the District and City Councils but they give a yield of some £3,048,587 less than the yield in 2012/2013 (see 2.28 above). This fall in yield is supposed to be matched by the government grant of

£3,504,341 for council tax support thus implying that government grant will exceed the requirement by £455,754. If actual grant is to match the actual drop in council tax yield then the above estimates for funding could be up to £455,754 less than shown in the above table. This would mean that rather than having a surplus in 2013/2014 of £250,353 or £399,746 there would actually be a deficit of £205,401 or £56,008 depending on which council tax option is approved.

- 2.34 The outlook for 2015/2016 is potentially much worse than for 2014/2015. Government have released no figures and are planning another spending review before 2015/2016 nevertheless the Fire Finance Network and the LGA are speculating that further reductions in grant of between 10% and 15% might be anticipated. Even assuming that the budget reductions required for 2014/2015 could be achieved it is likely that reductions of this magnitude would require further budget reductions of up to £5m.

### Potential Effect on Balances

- 2.35 Both options for Council Tax increases will have some effect on balances and there remains an opportunity for balances to be used to mitigate the short term effects of budget shortfalls. The Authority currently enjoys a substantial level of balances generated in part by the early implementation of budget reductions by management.
- 2.36 A report elsewhere on this agenda considers the likely out-turn position for the Authority for the financial year 2012/2013 and this therefore enables an estimate of the level of opening balances for 2013/2014 to be made. The effect on balances of the two possible council tax increases of 0% and 1.9% are estimated to be as follows:

	Freeze Grant and 0%		1.9% no Freeze Grant	
	2013/2014 £000's	2014/2015 £000's	2013/2014 £000's	2014/2015 £000's
Total Funding	44,197	43,112**	44,346	43,269**
Budget Requirement	43,947	44,255	43,947	44,255
Surplus	250	0	399	0
Deficit	0	1,143	0	986

  

	2013/2014 £000's	2014/2015 £000's	2013/2014 £000's	2014/2015 £000's
Opening Balance	9,000*	9,250	9,000*	9,399
Additions To Balances	250	0	399	0
Contributions From Balances	0	1,143***	0	986***
Closing Balance	9,250	8,107	9,399	8,413

\* Assumed level of opening balances see below

\*\* Assumes a rise in Council Tax of 1.9% in 2014/2015

\*\*\* Assumes that any shortfalls are met from balances

- 2.37 As reported previously to Members it is important to consider that balances can only ever provide a short term solution to budget problems as underlying shortfalls within the base budget will ultimately require permanent solutions. As mentioned in previous years the freeze grant for 2013/2014 will generally have the effect of adding to balances rather than offsetting real revenue expenditure. This is because of the early intervention in terms of making budget reductions.
- 2.38 The £9m of opening balances is an estimate of what the balances figure may be by the end of 2012/2013 based on the opening level of balances plus reported underspendings assuming that all of these are transferred to general fund balances.
- 2.39 Members will also be aware that, in compliance with an audit recommendation a comprehensive review of earmarked reserves is also taking place at present. It is possible that some of the earmarked reserves may no longer be required and these would be written back to the general reserve.
- 2.40 The above table demonstrates that it is possible to deal with the budget shortfall in 2014/2015 by using balances to cushion the effect of future budget reductions, however the underlying problem with the base is beginning to escalate to levels which cannot be contained by balances and so action will be required.

### **Budget Options**

- 2.41 The gravity of the decisions required to solve the emergent problems for 2014/2015 and 2015/2016 will be beyond the scope of this committee with the limited intelligence that is available with regard to risk options and budget options. The decision required at this time is whether to opt to raise Council Tax by up to 1.9% or whether to take the grant that is on offer and not raise Council Tax in 2013/2014.
- 2.42 In terms of 2013/2014 this question is relatively easy to answer in that both options result in revenue exceeding the amount of budget required to run the organisation; not by significant amounts but nevertheless still a surplus. This should not be a surprise in that this was what was being predicted during the 2011/2012 budget phase and most of the assumptions underpinning budget thinking for the past two years have been proven accurate. The problem that arises is for 2014/2015 and the question is simply whether or not to raise Council Tax now to support the base budget later.
- 2.43 It must be borne in mind that the council tax freeze grant currently on offer is good for two years only as is the continuance of the previous freeze grant. This creates a form of 'cliff edge' for the base budget which will also need to be recovered.
- 2.44 It is proposed therefore that Members should make a decision on a recommendation to make to the Fire Authority concerning the level of Council Tax for 2013/2014 but in the knowledge that the Chief Fire Officer and his team will need to bring back to the Authority, proposals to deal with the issues that will arise in 2014/2015 and beyond.
- 2.45 These proposals will need to form part of the thinking behind the current IRMP process in order to ensure that proper consultations take place with stakeholders.

### **3. FINANCIAL IMPLICATIONS**

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

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS**

There are many human resources implications within the underlying savings relating to restructuring proposals and those related to the Fire Cover Review although most of these will have been considered elsewhere.

### **5. EQUALITIES IMPLICATIONS**

An equality impact assessment has not been undertaken because this report relates to a series of recommendations which will be consulted upon. It is anticipated that a full EIA will be carried out on the report that goes to the Fire Authority in February.

### **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 2013/2014 but may acknowledge potential budget shortfalls for future years.

### **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 be incorrect. Changes involving contraction of activities may not be made on the envisaged timescales, public consultation may vary policy and external issues such as national pay awards may not align with the assumptions.
- 8.2 Council Taxbase figures used for this report are only estimates at present and the grant settlement details are only provisional. It is possible that both or either of these could change.
- 8.3 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**

- 9.1 That Members approve this report for submission to the Fire Authority in order to inform their decision making around Council Tax for 2013/2014.

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

None.

Frank Swann  
**CHIEF FIRE OFFICER**

## Appendix A

### Proposed Changes to Base Budgets 2013/2014 – 2015/2016

	2013/14	2014/15	2015/16
	£	£	£
Prior Year Base Budget	46,494,397	43,947,188	44,255,685
Budget virement	0	0	0
Adjustment to previous contingencies	2,638	0	0
<b>Minor Adjustments</b>			
Correction of errors from last budget process	54,000	0	0
Adjustments to pensions costs	-18,367	0	0
Travel & subsistence	9,370	0	-10,392
Premises costs	12,677	0	0
Pensions contributions	17,481	0	0
Other	8,150	38	2,005
<b>Changed Requirements</b>			
Review of travel budgets post-restructure	-37,143	0	0
End of secondment - loss of income	106,413	0	0
Special Services income budget not achieved - review pending	20,000	0	0
Loss of fire alarm agreement income - Tri-Service Control impact	6,600	0	0
Other adjustments due to changed requirements	11,875	0	0
Minor adjustments to Trading Company recharges for services provided	-1,851	0	0
Chemical suits	0	0	0
Retirement / long service awards	0	0	1,350
<b>Additional Budget Requirements</b>			
CCTV on appliances for H&S reasons	5,000	0	0
Building maintenance	86,030	0	0
Officers car leasing	19,111	0	0
Pensions costs	36,212	0	39,900
Insurance costs	24,700	0	0
Occupational health costs	17,500	0	0
Maintain job evaluation contingency	20,000	20,000	20,000
Remove Trading Company dividend income	15,000	0	0
Additional costs of auto-enrolment of pension schemes	0	5,000	0
Community safety savings target from 2010 not achievable	23,565	0	0
Tri-Service Control project	33,000	-14,000	0
2 extra bank holidays	0	31,127	60,720
Tri-Service Control project	0	11,427	0
Motor insurance cost due to claims record	0	51,700	0
Interview expenses - recruitment of 2 Principal Officers	0	1,000	0
Increased income following review of Special Service Charges	0	-25,000	0
Electronic system to update MDTs to assist with decisions at RTCs	14,575	0	0
<b>Inflation</b>			
Pay inflation	222,876	327,969	175,006
CPI inflation re pensions	17,209	12,903	13,148
Members' allowances inflation	2,455	2,504	1,130
Nonpay inflation - premises costs	58,425	67,786	32,701
Nonpay inflation - travel costs	2,895	3,650	3,571
Nonpay inflation - fuel costs	58,000	30,225	32,492
Other nonpay inflation	19,677	24,804	22,755
Firelink Contract	0	-18,818	-22,564

	2013/14	2014/15	2015/16
	£	£	£
<b>Approved by CMB</b>			
Fire protection - 3 additional WMs	140,574	-105,430	-35,144
Expansion of Prince's Trust teams	-2,476	0	0
IRMP consultation	51,638	-55,000	0
Equalities - positive action & peer review	5,000	-15,000	0
<b>Ongoing Effects of previous decisions</b>			
Increase in business rates due to refurbishment / rebuild of property	36,994	60,000	0
Increase in investment income due to increased level of reserves/balances	-75,000	39,000	0
Budget for Surplus / Deficit on Collection Fund	-56,705	0	0
<b>One-year or Reversing change</b>			
Tri-Service Control project - one-off implementation costs	0	0	0
Equal pay review – biennial	10,000	-10,000	0
Re-tender Westfield contract, employee survey etc.	0	-5,000	5,000
Recruit 2 Principal Officers (over 2 years)	20,000	0	-20,000
Operational equipment – various	23,000	-63,000	0
Media training – biennial	0	6,000	-6,000
Red Kite rollout	0	0	0
Helmet lamps	35,000	-20,000	-16,000
Pay Increments	51,924	28,598	21,028
Revenue Implications of Capital Expenditure	-1,344,274	-2,027,175	97,034
<b>Replacement equipment</b>			
Media Services	600	3,800	-3,800
Chemical suits & fleeces	55,000	-25,000	-30,000
Tyre compressors	8,000	-6,500	0
<b>Savings</b>			
Net change to Wholetime pay from FCR / restructure	-697,724	0	0
Net change to Admin pay from restructure	14,409	-4,881	0
Net change to Retained pay from FCR	-383,131	0	0
Net change to Control pay from restructure	-34,328	0	0
Other minor items	-11,642	0	0
One less bank holiday	-16,332	0	0
Media Services - savings plus online distribution of Council Tax leaflet	-24,093	0	0
Transport - motor tax / PPV & LPP for reserve fleet / fleet modifications	-25,705	-1,555	0
Equipment - various savings identified in 2011	-9,000	0	0
Insurance - arising from improved claims record in areas other than motor	-10,240	-2,700	0
Base budget review of employee benefit schemes	-13,897	0	0
Recruitment advertising costs reduced due to electronic methods	-5,500	-5,000	0
Base budget review of FireLink costs and grant funding	-85,541	0	0
External audit fees	-23,990	0	0
Members' allowances reduced post-RMB, LGA membership cost has reduced	-22,548	-1,323	0
Consultancy fees budget reduced to cover only regular, on-going costs	-23,125	0	0
Legal fees budget will normalise post-Dunkirk	-46,600	0	0
L&D - identified in 2011, less staff post-FCR/restructure	-80,233	0	0
Review of utilities budgets, savings in gas identified	-40,000	0	0
Income generated from solar panels	-10,000	-5,000	-5,000
Income from premises rental identified in 2011	-9,000	0	0
Pensions costs	0	-8,653	0
Reversal of contribution to general reserve to bring budget back to zero	-1,816,336	0	0
Adjustments re Revenue Contributions to Capital	1,000,000	2,000,000	0
	<b>43,947,188</b>	<b>44,255,685</b>	<b>44,634,625</b>



