



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Policy and Strategy Committee

ADDENDUM REPORT - PROPOSED CAPITAL AND REVENUE BUDGETS 2009/2010 TO 2011/2012

Report of the Chief Fire Officer

Agenda Item No:

Date: 30 January 2009

Purpose of paper:

To report to Members on proposed changes to the above budget report which are required primarily as a result of changes in taxbase and surplus/deficit assumptions as well as a minor change to the Capital Programme.

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1. BACKGROUND

- 1.1 Since the budget report was distributed to Members the Authority has been notified of the District Councils' and the City Council's view of collectible Council Tax in 2009/2010. They have also given informal notifications of surpluses and deficits on collection funds.
- 1.2 This report sets out the effect of these notifications and proposes a number of budget amendments.

2. REPORT

- 2.1 Collecting Authorities are not required to give final notice of these figures until the end of January and final figures for surplus and deficits may not be available until early February. Nevertheless the estimates that have been show that there will be a budget problem arising from these assumptions.
- 2.2 It is not appropriate to provide a detailed breakdown of the figures as they have not yet been agreed by all the collecting Authorities however the effect on the fire Authority is a reduction in funding of £118,354.
- 2.3 It has been reported previously that there was always a possibility that variations in the taxbase and in the declarations of Deficits etc. might affect the Fire Authority's budget position. The overall figure for the budget would be contained within the sum already quoted and the increase in the Council Tax would also remain unchanged.
- 2.4 The effect of this change has been to cause a reworking of some areas of the budget in order to meet this requirement.

Changes from reported figures.

- 2.5 The following reductions have been made to the proposed Revenue Budgets:

	2009/2010
	£'s
PWLB Interest	33,756
MRP Calculations	40,000
Equalities Posts	8,800
Environmental Post	6,919
Fuel	28,879
Total	118,354

- 2.6 Since the original figures were drawn up the actual experience of Public Works Loan Board interest rates has been that they are significantly lower now than when first calculated. All indicators are that for the coming year at least they will remain low and therefore a more realistic rate has been applied. This results in a saving of £33,756.

- 2.7 By using some of the underspend on revenue budgets to fund some of the capital programme in 2008/2009 the knock on effect of this into 2009/2010 revenue budgets is that the Minimum Revenue Provision can be reduced by £40,000. This will require £200,000 of capital on vehicles to be funded from revenue.
- 2.8 A number of posts which were in the original budget submissions have been subjected to formal Job Evaluation and have been evaluated on lower grades than were originally assumed. This reduces the budget requirement by £15,719 in total.
- 2.9 At the time the budget was constructed, fuel budgets were under significant pressure from high market prices and therefore a significant sum was added to these budgets. Recent experience has shown that fuel prices have fallen back significantly and therefore the addition to this budget can be reduced to £31,121, a saving of £28,879.

Capital Programme

- 2.10 The Property Strategy Group has recently met and along with a number of other items discussed the position in relation to the former training centre at Mansfield Fire Station. This building has been empty for some time and has gradually fallen into disrepair despite a number of low cost works to preserve it. The situation is far from critical however, it is clear that unless a significant amount of work is carried out soon the problem will increase. There is a requirement within the overall strategy for office space to be made available in the North of the county to free up space at Edwinstowe and therefore an opportunity arises for both issues to be addressed.
- 2.11 A fixed budget of £300,000 will be allocated to this project which will also reinstate some of the smoke training facilities and address a number of structural problems with the part of the building currently occupied by the museum.
- 2.12 Ordinarily this issue would have been taken to the Finance and Resources Committee as an amendment to the Capital Programme, however as the programme for 2009/2010 has yet to be approved it is being presented as an amendment to the proposal.
- 2.13 There is no financial effect of this change on the Revenue Budget for 2009/2010 arising from this change as the charges to Revenue are made on the basis of opening balances rather than closing balances. In 2011/12 the effect of financing via the recent capital grant will be impacting on the revenue account and therefore there will be adequate cover for this item.

3. FINANCIAL IMPLICATIONS

Whilst the financial implications are set out in full within the report it is perhaps useful to reflect that none of the proposed changes have any effect on the overall budget recommended by the Finance and Resources Committee for any of the

three year period for which the budget is set. Similarly there is no impact on the Council Tax calculations.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources and learning and development implications arising directly from this report.

5. EQUALITY IMPACT ASSESSMENT

There are no equality implications arising directly from this report.

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 are no risk management implications arising from this report.

9. RECOMMENDATIONS

That Members approve the proposed changes to the detail of the revenue budget for 2009/2010 and to the variation to the proposed capital programme as set out above.

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

None.

Frank Swann
CHIEF FIRE OFFICER