

## Revenue Budget: 2012/13 Precept

### Report of the Treasurer

For further information about this report please contact Rachel Musson, Treasurer on 01743 252007, or Joanne Coadey, Head of Finance, on 01743 260215.

### 1 Purpose of Report

This report seeks Fire Authority approval to:

- A budget for 2012/13;
- Council Tax levels for 2012/13; and
- Precepts on billing authorities and related matters.

The Authority is required to issue a precept before 1 March 2012 and all items in the "Recommendations" below must be taken together. For ease of reference the key elements of the budget are set out in appendices to the report.

### 2 Recommendations

The Fire Authority is asked to:

- a) Approve that a net budget requirement is set at £21,412,129 (calculated in accordance with the provisions of Section 43(4) of the Local Government Finance Act 1992);
- b) Approve a total precept of £14,025,534 to be levied on the billing authorities;
- c) Approve a Council Tax resulting in a basic amount of Council Tax at Band D calculated in accordance with the provisions of the 1992 Act (Section 44) of £86.93;

- d) Approve, under Section 40(2) of the 1992 Act:
- i The amount of Council Tax calculated for each category of dwelling in each billing authority's area, as follows:

Band	2012/13 Council Tax
	£ p
A	57.95
B	67.61
C	77.27
D	86.93
E	106.25
F	125.57
G	144.88
H	173.86

- ii The amount calculated (in accordance with Section 48 of the 1992 Act) as payable by billing authorities for 2012/13, as follows:

Council	Precept £
Shropshire Council	9,562,104
Borough of Telford & Wrekin Council	4,463,430
	<u>14,025,534</u>

- e) Approve that the Treasurer:
- i Issue the necessary precepts and information to the billing authorities in accordance with the provisions of Chapter IV of Part 1 of the 1992 Act and be authorised to make any amendment to the above to reflect the final approved budget, after consultation with the Chair and Vice-Chair of the Fire Authority; and
- ii Is authorised to make payments required from, and to, reserves and provisions within the approved budget strategy and within the Authority's Financial Rules, in conjunction with the Chair and Vice-Chair;
- f) Approve the revenue budget and pensions account, illustrated in Appendix A, for budgetary control in accordance with approved standing orders;
- g) Approve the Best Value Accounting – Code of Practice Provisional Revenue Account at Appendix B; and
- h) Approve the schedule of reserves and provisions at Appendix C.

### **3 Budget Process**

The Fire Authority's net spending (budget) on services in 2012/13 has been reported throughout October to December. The budget is set out in Appendix A and is reported in the Fire Authority's service areas. The grant receivable in the form of revenue support grant and non-domestic rates is £7,227,825, and the Fire Authority's share of collection fund balances totals £158,771. In addition, central government awarded a grant to those authorities, who did not increase their precept for 2011/12, which was equal to a Band D increase of 2.5%. The Fire Authority will receive £335,920 as a result of the continuation of this grant. The balance of the net spending requirement is raised through the level of council tax. A council tax base equivalent to 161,342.85 Band D properties has been notified to the Fire Authority by the tax raising authorities

### **4 Financial Implications**

There are no financial implications arising from this report other than those discussed within the report.

### **5 Legal Comment**

There are no legal implications other than those outlined in the report.

### **6 Equality Impact Assessment**

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

### **7 Appendices**

#### **Appendix A**

Revenue Programme Budget 2012/13 and Pensions Account

#### **Appendix B**

Best Value Accounting Code of Practice Provisional Revenue Account

#### **Appendix C**

Budget for Provisions and Reserves

### **8 Background Papers**

There are no background papers associated with this report.

<b>Revenue Budget 2012/13 Key Service Areas</b>	<b>Pay £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
<b>Executive and Resources</b>			
Executive and Resources	1,107		1,107
Executive		46	46
Finance		2,514	2,514
Technical Services		1,672	1,672
Workshops		102	102
Pay and Price Contingency		1,047	1,047
<b><u>Total Executive</u></b>	<b>1,107</b>	<b>5,381</b>	<b>6,488</b>
<b>Service Delivery</b>			
Fire Prevention	930	124	1,054
Area Command	9,210	5	9,215
<b><u>Total Service Delivery</u></b>	<b>10,140</b>	<b>129</b>	<b>10,269</b>
<b>Corporate Performance and Operations</b>			
Operational Response	281		281
Programme Office	314	145	459
ICT	175	769	944
Corporate Support	262	379	641
Fire Control	633		633
<b><u>Total Corporate Performance and Operations</u></b>	<b>1,665</b>	<b>1,293</b>	<b>2,958</b>
<b>Human Resources and Development</b>			
Human Resources	243	186	429
Training and Development	826	420	1,246
Health & Safety		21	21
<b><u>Total Human Resources and Development</u></b>	<b>1,069</b>	<b>627</b>	<b>1,696</b>
<b>Total Revenue Budget</b>	<b>13,982</b>	<b>7,430</b>	<b>21,412</b>

For the purposes of Financial Standing Orders, revenue votes are described in **bold** print and underlined.

	<b>Estimate 2012/13</b>
<b><u>PENSIONS ACCOUNT</u></b>	£'000
<b><u>Contributions</u></b>	
Employer contributions – 1992 scheme	-1,154
Employer contributions – 2006 scheme	-278
Employee contributions – 1992 scheme	-597
Employee contributions – 2006 scheme	-215
Ill health charges	-76
Inward transfers from other pension schemes	-50
Total contributions	<u>-2,371</u>
<b><u>Costs</u></b>	
Pensions outgo	4,482
<b>Total deficit to be funded by top up grant</b>	<b><u>2,109</u></b>

**Best Value Accounting Code of Practice  
Provisional Revenue Account**

	<b>Gross Expenditure £'000</b>	<b>Gross Income £'000</b>	<b>Net Expenditure £'000</b>
<b>Expenditure:</b>			
Community Fire Safety	3,917	55	3,862
Firefighting and Rescue Operations	15,748	300	15,448
Emergency Planning and Civil Defence	180	60	120
Democratic Representation and Management	425	0	425
Corporate Management	295	0	295
Non-Distributable Costs	0	0	0
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<b>Net Cost of Services</b>			<b>20,150</b>
Interest Payable and Similar Charges			440
Investment Income			-20
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<b>Net Operating Expenditure</b>			<b>20,570</b>
Contribution to Reserves			714
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<b>Amount to be met from Precept</b>			<b>21,284</b>

## Budget for Provisions and Reserves

	<b>2012/13</b> <b>£000</b>	<b>2013/14</b> <b>£000</b>	<b>2014/15</b> <b>£000</b>
<b>Provisions</b>			
1 Equipment Replacement Provision			
Balance 1 April	64	77	70
Expenditure	-60	-60	-60
Income - Receipts	70	50	50
- Interest	3	3	3
Balance 31 March	77	70	63
<b>Reserves - Earmarked</b>			
2 Efficiency Reserve			
Balance 1 April	-	-	-
Expenditure	-	-	-
Income - Receipts	-	-	-
Balance 31 March	-	-	-
3 Capital Reserve - Unearmarked			
Balance 1 April	2,180	2,978	2,848
Expenditure	-	-	-
Contributions	578	-	-
One-off transfer	-	-	-
Interest	40	50	71
Balance 31 March	2,798	2,848	2,919
4 Capital Reserve - Earmarked			
Balance 1 April	527	450	330
Expenditure	-963	-355	-50
Contributions	241	208	200
One off receipts	620	-	-
Interest	25	27	30
Balance 31 March	450	330	510
5 Extreme Weather Reserve			
Balance 1 April	312	312	312
Expenditure	-	-	-
Balance 31 March	303	303	303
6 Pensions and Other Staff Matters Reserve			
Balance 1 April	1,256	1,256	500
Expenditure	-	-726	-
Interest	-	-	-
Balance 31 March	1,256	500	500

	2011/12 £000	2012/13 £000	2013/14 £000
<b>7 Information Technology Reserve</b>			
Balance 1 April	160	-	-
Expenditure	-160	-	-
Income	-	-	-
Balance 31 March	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Reserve - General</b>			
General Reserve			
Balance 1 April	539	552	566
Expenditure	-	-	-
Income - Interest	13	14	14
Balance 31 March	<u>552</u>	<u>566</u>	<u>580</u>

## Notes

- i Interest is earmarked to some of the reserves to maintain their value in real terms.
- ii Unless there are planned additions or reductions, it is assumed that there will be no call on reserves