

Medium Term Financial Plan 2010

Report of the Treasurer

For further information about this report please contact Paul Raymond, Chief Fire Officer, on 01743 260205, or Keith Dixon, Treasurer, on 01743 260202.

1 Purpose of Report

This report draws attention to the Medium Term Financial Plan posted on the Authority's website, and seeks Members comments, suggested amendments, and updates.

2 Recommendations

The Committee is asked to forward comments on the Medium Term Financial Plan to the Chief Fire Officer or Treasurer.

3 Background

The Fire Authority agreed on 10 February 2010 to the following key principles to be incorporated in the 2010 Medium Term Financial Plan (MTFP).

- i) Continue planning for precept increases of 3.9% a year, whilst examining the scope for reducing the rate of increase (as for 2010/11);
- ii) Continue to provide for realistic levels of increase in service pressure – currently £200,000 a year;
- iii) Seek to maximise efficiencies each year and to set a realistic, but challenging, target of £150,000 a year, taking into account the findings of the Audit Commission's report 'Rising to the Challenge, Improving Fire Service Efficiency';

- iv) Specifically address the forecast shortfalls from 2011/12 onwards, based on the current 'What If' analysis report to the December 2009 meeting of the Fire Authority, using the Strategic Risk and Planning Working Group; and
- v) Explore all ways to minimise future committed growth, including maximising the un-earmarked capital reserve to reduce future borrowing.

They also agreed that the current MTFP should only have a minor refresh. A complete overhaul would then take place as the 2011/12 budget process got underway.

4 Current Position

The current position is that the MTFP for 2009/10 is displayed on the website. Normally this would be replaced in June, following the agreement of the Fire Authority to the new MTFP in June.

It is now planned to replace the MTFP as soon as possible. This is because, firstly, the five year budget has already been agreed, and there seems no reason to continue to display documents that are in some respects out of date. Secondly, there are likely to be significant changes to medium term financial prospects during 2010, and this will require major changes to the MTFP as the 2011/12 budget is put together. A replacement MTFP in these circumstances would be delayed for most of 2010/11.

5 Next Steps

The refreshed MTFP updated to take account of the February budget package will shortly be posted on the website. The Committee is asked if Members would undertake to have a look at it, and pass any comments to the Chief Fire Officer or Treasurer. The comments and proposed changes can then be brought to the Committee's May meeting for endorsement.

6 Financial Implications

The financial implications are detailed in this report.

7 Legal Comment

There are no legal implications arising from this report.

8 Equality Impact Assessment

This report is purely an update on budget issues to date and so the recommendations within the report have no impact on people.

9 Appendices

There are no appendices attached to this report.

10 Background Papers

There are no background papers associated with this report.

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	*
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*