

2009/10 and Later Years Revenue and Capital Budgets

Report of the Treasurer

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202.

1 Purpose of Report

This paper brings together the elements of the budget as set out in the papers that follow, and seeks the Committee's approval for a budget outline to be recommended to the Authority in December.

2 Recommendations

The Committee is asked to approve the revised figures as a basis for budget consideration by the Fire Authority in December 2008.

3 Background

The Committee has based its budget planning to date on the following:-

	2009/10	2010/11	2011/12	2012/13	2013/14
	£ 000	£ 000	£ 000	£ 000	£ 000
2008/09 Budget	20,058	20,058	20,058	20,058	20,058
Committed changes	108	208	208	208	208
Pay and Prices	627	1,271	1,921	2,571	3,221
Service Developments	65	270	470	670	870
Efficiencies	150 -	300 -	450 -	600 -	750 -
Capital	211	456	650	659	659
Expenditure	20,919	21,963	22,857	23,566	24,266

This was to be funded:-

Grant	7,975	8,268	*	*	*
Council Tax (+ 3.9% a year)	12,896	13,493	14,116	14,769	15,450
Collection Fund – surplus	50	50	50	50	50
Net (addition) or reduction in reserves	(2)	152	*	*	*
	20,919	21,963	22,857	23,566	24,266

* Pessimistic / optimistic assumptions of grant lead to different potential balancing items for reserves ranging from an addition to reserves of £138,000 (optimistic) to a reduction in reserves of £355,000 (pessimistic)

This report deals with the changes to expenditure and forecasts other effects on reserves. Funding can only be finalised once final information is available in early January on the Council Tax band D base and the Collection Fund surplus. The grant settlement for 2011/12 (or possibly 2010/11) onward will not be known until after the 2009/10 precept has been set and is therefore why “what-if” planning is necessary.

4 Revised Budget Summary

The changes to revenue expenditure covered in the following papers (assuming no change to service developments) can be summarised as follows:-

	2009/10	2010/11	2011/12	2012/13	2013/14
	£ 000	£ 000	£ 000	£ 000	£ 000
2008/09 Budget	20,058	20,058	20,058	20,058	20,058
Committed change	78 -	47	153	175	225
Pay and Prices	599	1,243	1,908	2,571	3,221
Efficiencies	150 -	300 -	450 -	500 -	650 -
2009/10 and later Capital Programme	110	360	595	704	820
Service Developments	161	361	561	761	961
	20,700	21,769	22,825	23,769	24,635

This shows that expenditure has reduced by the following:-

	£ 000	
2009/10	219	
2010/11	194	
2011/12	32	
2012/13	(28)	} Less funding from reserves / receipts / grant assumed at £175,000 revenue savings
2013/14	(194)	

The reasons for the changes in 2009/10 are:-

- i Committed growth has reduced by £136,000. This is a reduction in ill-health retirements, net savings in pay awards compared to forecasts and to other variations set out in 6a;
- ii Revenue costs of Capital Programmes from 2008/09 have reduced by £31,000 and the 2009/10 programme is currently expected to cost £24,000 less;
- iii Inflation estimates have reduced by £28,000 as a result of the lower than expected pay award for firefighters.

The changes reduce in 2010/11 and 2011/12 as capital programmes slippage catches up, and additional forecasts for pension contributions are introduced. Further work needs to be completed on 2012/13 and 2013/14 where capital programme consequences need to be revisited to take account of capital grant and reserve availability.

5 Conclusions

At this stage, further work is needed to:-

- i Capital Programme and its financing; and
- ii Service Developments

However changes already identified show that the originally estimated potential reduction in the reserve in 2010/11 of £152,000 can be offset by the expenditure reductions now identified.

6 Financial Implications

The financial implications are as outlined in the main body of the report.

7 Legal Comment

There are no direct legal implications arising from this report.

8 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.

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	*