

Revisions to the Budget and Final Budget Plan

Report of the Treasurer

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

1 Purpose of Report

The report develops a final revenue budget package for consideration by the Fire Authority, taking into account latest information.

2 Recommendations

The Committee is recommended to propose to the Fire Authority a revenue budget of £20,751,000 for 2009/10, which together with a net transfer to reserves gives a budget requirement of £20,832,000.

3 Background

The Fire Authority in December 2008 agreed a 2009/10 budget package for consultation, based on:-

- i expenditure of £20,649,000
- ii a Council Tax precept of £81.45 i.e. a 3.9% increase
- iii assumed Band D equivalent of 157,242 and a Collection Fund surplus of £50,000
- iv a surplus of income over expenditure of £281,000, which was to be added to the Capital Reserve

The 2009/10 budget was set in the context of careful consideration of the major uncertainties, particularly from 2011/12 onward, when a new Grant settlement would be made.

This report updates the Committee on developments since last December, and seeks its approval to submitting a revised budget to the Fire Authority in February 2009 when the final precept package must be agreed.

4 Changes to Expenditure

Since December 2008, the following changes have arisen:-

	2009/10 £ 000
i Changes to the Capital Programme Increases in two schemes have become apparent – see report on Capital Programmes. At present there is no update on the Shrewsbury scheme.	+ 2
ii Following concerns over the security of funds lent, the list of borrowers has been restricted further. Interest rates have also reduced and the budget for interest on revenue balances has therefore been reduced.	+ 100
iii Informal advice as to the impact of the Government Actuary's revision of Firefighter Pension costs from 2010/11 onwards, indicates that the provision in 2010/11 of £50,000 may be inadequate.	-

5 Changes to Income

There has been no change notified on the Band D base in Borough of Telford & Wrekin (50, 245.00), although the Base for the new Shropshire Unitary area is confirmed at 106,997.62. There has also been no update to the Collection Fund figure used of £50,000.

6 Summary of Changes

The changed position can be summarised as follows:-

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
Expenditure					
As reported to CFA in December 2008					
i Shrewsbury Project	-	38	135	135	135
ii Other	20,649	21,623	22,439	23,162	23,882
	20,649	21,661	22,574	23,297	24,017
Variations:-					
iii Shrewsbury Project	-	-	-	-	-
iv Other Capital	2	12	12	12	12
v Loss of interest	100	100	100	100	100
vi Firefighter Pensions	-	50	50	50	50
Total Expenditure	20,751	21,823	22,736	23,459	24,179
Income					
vii Grant	-7,975	-8,268	-8,372	-8,477	-8,586
viii Council Tax					
£81.45 x 157,242.62	-12,807				
£84.63 x 157,431		-13,323			
£87.93 x 158,000			-13,893		
£91.36 x 158,570				-14,487	
£94.92 x 159,144					-15,106
ix Collection Fund (surplus)	-50	-50	-50	-50	-50
x Contribution from Retained Service Reserve	-98	-	-	-	-
Total Income	-20,930	-21,641	-22,315	-23,014	-23,742
Balance of Income and expenditure. (-) being surplus to be added to capital reserve. Otherwise a potential deficit	(-179)	182	421	445	437

7 Conclusions

Latest developments show a potential increase in the deficit arising in 2010/11, and a further increase in 2011/12 which then stabilises.

These changes are based on long-term forecasts and are built on “average” optimistic / pessimistic assumptions. They should therefore be regarded with caution.

The changes now identified, although showing a worsening of the situation can still be accommodated within the methods for dealing with potential deficits set out in paragraph 7 of the report to the December Fire Authority meeting.

8 Financial Implications

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

9 Legal Comment

There are no direct legal implications arising from this report.

10 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.

11 Appendices

There are no appendices attached to this report.

12 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	*