

REPORT OF THE CHIEF FIRE OFFICER AND TREASURER

SERVICE AND BUDGET STRATEGY 2007/08 – 2009/10

1 Purpose of Report

This report recommends a service and budget planning process for the period 2007/08 to 2009/10 for approval by the Fire Authority.

2 Recommendations

The Fire Authority is recommended to agree the service and budget planning process, as outlined in the appendix to this report.

3 Background

The proposed process is intended to adapt that used in the last few years. At its meeting on 25 May 2006 the Fire Authority's Strategy and Resources Committee considered the process and recommended that approval be given to the budget and service plan process, as outlined in paragraph 4, and integrating the budget timetable, as shown at the Appendix to this report.

4 Existing Procedures

The Fire Authority integrates its final year budget process with its service plans and progress has been made in developing a Medium Term Financial Plan (MTFP) over a longer period, in order to pick up capital investment plans and potential precept implications of grant changes, inflation etc.

The budget process has been that in July the Fire Authority has agreed an outline strategy and timetable. This has been consistent since the zero-base approach to 1998/99, when a zero-based assessment was made at the start of the new Fire Authority.



The strategy for each year has been:

a) July, August, September

Finance Officers review all existing revenue budgets with budget holders in the light of the previous year's outturn, monitoring to date and known changes likely to have an impact. They also review and update the capital programme, developing individual project appraisals.

b) October / November

Members consider:

- i) The outcome of the base budget review by officers to identify:
 - Potential efficiencies
 - Committed change (up or down)
- ii) The level of provision for unknown pay and price increases over the next three years. This is based on a realistic assessment and checked with other authorities. Members could vary this but would then need to consider the implications for reserves and balances.
- iii) Consider, justify and quantify growth in expenditure. Current policy is that this should be funded by efficiencies.
- iv) Consider efficiencies in the context of the base budget review, Integrated Risk management Planning and the Government's guideline nationally of about 5% ongoing efficiencies by 2007/08.
- v) Roll forward and revisit the three-year capital programme and prudential guidelines in order to calculate and assess overall financing costs.
- vi) Review provisions, reserves and balances in the light of risks and changing circumstances.

c) Late November / December

Members review the outcome of b), as seen in the light of the provisional grant settlements, implications for the precept, capping statements etc.

d) January

Re-address budget plans, if necessary. Consult as widely as possible and review and reconsider the final budget package.

e) February

Set the precept.



5 The Strategic Planning Timetable

The Fire Authority's Strategy and Resources Committee recommended that the budget timetable be integrated as shown at the Appendix to this report.

6 Legal Comment

There are no direct legal implications arising from this report.

7 Appendix

The Strategic Planning Timetable

8 Background Papers

Shropshire and Wrekin Fire Authority

Strategy and Resources Committee 25 May 2006 Report 5 – Service and Budget Planning 2007/08 to 2009/10 – and Minutes

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.

Balance Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Equality and Diversity		Retained	
Efficiency Savings		Risk and Insurance	
Environmental		Staff	
Financial	*	Strategic Planning	*
Fire Control/Fire Link		West Midlands Regional Management Board	

For further information about this report please contact Alan Taylor, Chief Fire Officer, on 01743 260201 or Keith Dixon, Treasurer, on 01743 260202.



Strategic Planning Timetable

Month	Financial Plan	Performance Plan	Medium Term Financial Plan	Integrated Risk Management Plan	Retained Service Implementation Plan
April	Produce budget booklet	Develop Business Plans			Developed
May	Develop proposals at Strategy and Resources Committee	Develop improvement priorities, capacity building needs and proposals. Strategy and Resources Committee agrees performance targets.	Develop proposals at Strategy and Resources Committee	Draft Action Plan	
June	Fire Authority agrees accounts	Fire Authority agrees final version prior to formal release on 30 June	Fire Authority agrees Plan	Develop draft Action Plan	
July	Fire Authority agrees Budget Plan			Fire Authority agrees Action Plan	
August September October	Develop plans for service changes, capital, inflation, reserves etc.			Consultation	Progress informs budget
November	Strategy and Resources Committee proposes net expenditure budget	Consider the implications of the National Framework	Updated		
December	Fire Authority agrees budget for consultation in light of grant, tax base etc.	Strategic Planning Workshops		Fire Authority endorses Action Plan	
January	Consultation				
February	Fire Authority agrees precept		Plan agreed after considering the impact of the budget	Published and implemented	
March		Develop Business Plans			

