

Financial Contingency ('What If') Planning for 2010/11

Report of the Chief Fire Officer

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1 Purpose of Report

This report sets before Members the results of the 2010/11 planning meetings as they applied to 'what if' financial planning.

2 Recommendations

To note and agree the results of the planning workshops, specifically the 'what if' planning scenario.

3 Background

Members of the Budget Working Group tasked officers to make contingency assumptions about the budget for 2010/11 in preparation for changes to the predicted grant and capping levels late in November / December 2009.

Member wished officers to assume the following:

- a. Grant would not increase by the 3.7% currently promised in the 3-year Comprehensive Spending Review (CSR); and
- b. Capping would drop from the current 5% to 2% for 2010/11.

In making these assumptions Members were also cognisant of the possible removal of the current capital grant in 2010. Should these exceptionally challenging, last-minute changes occur, they would impact financially on the Fire Authority as follows:

- a. A cut in Grant of £303,000;
- b. A reduction in income of £243,000; and
- c. Removal of capital grant would mean that the Authority would need to find around £600,000 to fund capital schemes.

Members, therefore, set officers with the challenge of finding £546,000 in cuts that:

- Were for one year only, to give a 'breathing space' for longer-term financial planning;
- Would not have long-term impact on service delivery; and
- Could be introduced quickly, should the financial situation change either in November / December 2009 or in June / July 2010.

In addition to the above, Members also agreed that officers should begin planning for a base-up review of service delivery that would identify how the Service would look with reductions in budget of up to 20% over 4 years.

4 Analysis and Findings

Executive officers have held a Strategic Planning meeting with Service managers to identify both the key service improvement items for next year's business plan but also to seek to find the level of cuts identified above.

Members will see in other papers presented today that, in addition to reductions, officers also identified growth items that are essential for the effective running of the Service and efficiencies, required by the Government. Furthermore, there were some issues, such as the delay in moving to the Regional Control Centre, which may well have significant costs attached.

Members will find, at the Appendix to this report, a range of one-year, 'one-off' reductions to service that officers believe are achievable and total almost £570,000. As Members will also see, these options have a range of threat scores, so, should the situation described above become a reality, officers will, whilst delivering the 'easier' options, produce more detailed impact management plans for the higher-threat cuts.

On longer-term planning, officers have begun scoping out the work required to deliver a new Organisational / Corporate Strategy for 2011 – 2016.

5 Financial Implications

There are no direct financial implications arising from this report, although it clearly sets out financial options for one-year cuts to Service budget.

6 Legal Comment

There are no direct legal implications arising from this report.

7 Equality Impact Assessment

Should the situation arise where these level of cuts are required, officers will carry out the necessary impact assessment.

8 Appendix

2010/11 'What If' Scenarios

9 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.

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	

2010/11 'What If' Scenarios

	Detail	2010/11	Impact 1-5			Threat/15	
			Objectives	Public	Staff		
1	Remove all non-essential external courses	No training outside current person specifications	-£10,000	1	1	3	5
2	Reduce skills courses	First aid training consultation with Ambulance Service	-£12,000	2	3	4	9
3	Training equipment	No training equipment purchases at Development Centre	-£10,000	1	1	2	4
4	Remove messing	Will involve on costs	-£40,000	1	1	5	7
5	Reduce building maintenance	Urgent repairs only for one year	-£100,000	2	2	4	8
6	Reduce Wholetime overtime	For maintaining crewing levels	-£40,000	2	2	4	8
7	Staff advertising	No paid advertising of job vacancies	-£17,000	3	2	1	6
8	Reduce Fire Service College courses	Use cheaper providers where possible	-£10,000	3	1	4	8
9	Reduce quality of accommodation for new trainees		-£8,000	1	1	4	6
10	'Save it' energy-saving drive	Full year only	-£15,000	1	1	1	3
11	Reduce hydrant maintenance	Repairs only for one year	-£50,000	2	3	3	8
12	Conferences	Only attend vital conferences	-£10,000	2	1	2	5
13	Road traffic collision reduction	Will involve on costs	-£42,000	4	4	4	12
14	Reduce operational equipment	Reduced maintenance costs	-£10,000	2	2	4	8
15	Budget for vacancies	0.50% for all departments	-£75,000	3	1	4	8
16	Subscriptions	Reduce payment for one year	-£10,000	2	1	4	7
17	Business Fire Safety	Reduce temporary posts	-£20,000	3	4	5	12
18	Community Fire Safety	Reduce temporary posts	-£30,000	3	4	5	12
19	Community Fire Safety Delivery	Reduce (from 100K to 50K)	-£50,000	4	5	5	14
20	No non-essential IT purchases	Only vital repairs and replacement	-£20,000	2	2	3	7
	TOTAL		-£569,000				0