

Hereford & Worcester Fire Authority 2018/19

Policy & Resources Committee: 31st January 2018

Interim Medium Term Financial Plan 2018-19 to 2021/22

As discussed P&R Cttee Nov 2017 & Fire Authority Dec 2017

	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Estimate £m	2021/22 Estimate £m
1 2017/18 CORE BUDGET	31.687	31.687	31.687	31.687
2 2017/18 Inflation Saving	(0.171)	(0.171)	(0.171)	(0.171)
3	31.516	31.516	31.516	31.516
<u>Pay Awards & Inflation</u>				
4 2% Grey book Pay Award Jul 2017	0.260	0.260	0.260	0.260
5 Future Pay Awards (2% 2018, 1% thereafter)	0.422	0.714	0.941	1.168
6 General Inflation	0.300	0.600	0.900	1.200
7 LGPS Revaluation	0.010	0.020	0.020	0.030
 8 Capital Programme	 (0.267)	 0.094	 0.094	 0.194
<u>Other Cost Pressures</u>				
9 FFPS Contribution Rates		0.315	0.315	0.315
10 Back-log Property Maintenance	0.713	0.352	0.071	
<u>Efficiencies & Other Savings</u>				
11 JPV Savings	(0.032)	(0.101)	(0.101)	(0.101)
12 EMSCP Post Contribution			(0.020)	(0.020)
13 Crewing Changes				(0.250)
14 Hindlip Move - release of existing HQ	(0.120)	(0.240)	(0.240)	(0.240)
15 Hindlip Move - reduction in running costs	(0.040)	(0.080)	(0.080)	(0.080)
16 Hindlip Move - back office efficiencies		(0.029)	(0.100)	(0.100)
17 Fire Control				(0.500)
18 Wyre Forest				(0.100)
19 TOTAL NET EXPENDITURE	32.762	33.421	33.576	33.292
20 To/(From) Property Maintenance Reserve	(0.361)	(0.352)		
21 To/(From) Other Reserves	(0.911)	(1.201)	(1.553)	
22 TOTAL NET EXPENDITURE	31.490	31.868	32.023	33.292
 23 Revenue Support Grant	 (2.427)	 (2.036)	 (1.428)	 (0.873)
24 Business Rate Top Up Grant	(3.254)	(3.370)	(3.437)	(3.506)
25 Fire Service Revenue Grant	(0.985)	(0.835)	(0.835)	(0.835)
26 Rural Services Delivery Grant	(0.067)	(0.088)		
27 Business Rate Yield	(2.217)	(2.261)	(2.306)	(2.352)
28 Business Rate S31 Grants	(0.171)	(0.174)	(0.177)	(0.181)
29 Council Tax Yield	(22.369)	(23.104)	(23.840)	(24.598)
30 TOTAL FUNDING	(31.490)	(31.868)	(32.023)	(32.345)
 31 GAP	 0.000	 0.000	 0.000	 0.947
 <u>Forecast Changes in:</u>				
32 Council Tax-base	1.40%	1.30%	1.20%	1.20%
33 Band D Council Tax Precept	1.96%	1.96%	1.96%	1.96%
34 Business Rate Yield	2.00%	2.00%	2.00%	2.00%
35 Business Rate Support Grant	3.20%	3.56%	2.00%	2.00%
36 Revenue Support Grant	-22.04%	-16.11%	-29.88%	-38.86%
37 Net Grant	-9.34%	-4.84%	-10.00%	-10.00%

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Revised Medium Term Financial Plan 2018-19 to 2021/22

	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Estimate £m	2021/22 Estimate £m
1 2017/18 CORE BUDGET	31.687	31.687	31.687	31.687
2 2017/18 Inflation Saving	(0.171)	(0.171)	(0.171)	(0.171)
3	31.516	31.516	31.516	31.516
4 2021/22 FORECAST BUDGET REQUIREMENT				
<u>Pay Awards & Inflation</u>				
5 2% Grey book Pay Award Jul 2017	0.260	0.260	0.260	0.260
6 Future Pay Awards (2% 2018, 1% thereafter)	0.317	0.723	1.138	1.560
7 General Inflation	0.300	0.600	0.900	1.200
8 LGPS Revaluation	0.010	0.020	0.020	0.030
9 Capital Programme	(0.267)	0.094	0.094	0.194
<u>Other Cost Pressures</u>				
10 FFPS Contribution Rates		0.315	0.315	0.315
11 Back-log Property Maintenance	0.260	0.120	0.185	0.160
<u>Efficiencies & Other Savings</u>				
12 JPV Savings	(0.032)	(0.101)	(0.101)	(0.101)
13 EMSCP Post Contribution			(0.020)	(0.020)
14 Crewing Changes				(0.250)
15 Hindlip Move - release of existing HQ	(0.120)	(0.240)	(0.240)	(0.240)
16 Hindlip Move - reduction in running costs	(0.040)	(0.080)	(0.080)	(0.080)
17 Hindlip Move - back office efficiencies		(0.029)	(0.100)	(0.100)
18 Fire Control				(0.300)
19 Wyre Forest				(0.100)
20 TOTAL NET EXPENDITURE	32.204	33.198	33.887	34.044
21 To/(From) Property Maintenance Reserve	(0.260)	(0.120)	(0.185)	(0.160)
22 To/(From) Other Reserves	(0.312)	(1.375)	(1.978)	
23 TOTAL NET EXPENDITURE	31.632	31.703	31.724	33.884
24 Revenue Support Grant	(2.427)	(2.036)		
25 Business Rate Top Up Grant	(3.240)	(3.316)	(3.382)	(3.450)
26 Fire Service Revenue Grant	(0.985)	(0.835)	(0.835)	(0.835)
27 Rural Services Delivery Grant	(0.088)	(0.088)		
28 Business Rate Yield	(2.217)	(2.261)	(2.306)	(2.352)
29 Business Rate Yield - 75% Retention			(1.153)	(1.176)
30 Business Rate S31 Grants	(0.171)	(0.174)	(0.177)	(0.181)
31 Business Rate S31 Grants - 75% Retention			(0.089)	(0.091)
32 Business Rates Collection Fund				
33 Council Tax Yield	(22.353)	(22.993)	(23.658)	(24.341)
34 Council Tax Collection Fund	(0.151)			
35 TOTAL FUNDING	(31.632)	(31.703)	(31.600)	(32.426)
36 GAP	0.000	0.000	0.124	1.458
<u>Forecast Changes in:</u>				
37 Council Tax-base	1.32%	1.00%	1.00%	1.00%
38 Band D Council Tax Precept	1.96%	1.96%	1.96%	1.96%
39 Business Rate Yield	2.00%	2.00%	2.00%	2.00%
40 Business Rate Support Grant	3.20%	3.56%	2.00%	2.00%
41 Revenue Support Grant	-22.04%	-16.11%	-100.00%	
42 Net Grant	-9.34%	-4.84%		

Hereford & Worcester Fire Authority 2018/19
Policy & Resources Committee: 31st January 2018
Indicative Medium Term Financial Plan 2022/23 & 2023/24

	2022/23 Indicative £m	2023/24 Indicative £m
1 2021/22 FORECAST BUDGET REQUIREMENT	34.044	34.044
<u>Pay Awards & Inflation</u>		
2 Future Pay Awards (2% 2018, 1% thereafter)	0.420	0.840
3 General Inflation	0.300	0.600
<u>Other Cost Pressures</u>		
4 Back-log Property Maintenance	(0.013)	(0.147)
5 TOTAL NET EXPENDITURE	34.751	35.337
6 To/(From) Property Maintenance Reserve	(0.147)	
7 TOTAL NET EXPENDITURE	34.604	35.337
8 Business Rate Top Up Grant	(3.519)	(3.589)
9 Fire Service Revenue Grant	(0.835)	(0.835)
10 Business Rate Yield	(3.599)	(3.671)
11 Business Rate S31 Grants	(0.278)	(0.284)
12 Council Tax Yield	(25.065)	(25.812)
13 TOTAL FUNDING	(33.296)	(34.191)
14 GAP	1.308	1.146
<u>Forecast Changes in:</u>		
15 Council Tax-base	1.00%	1.00%
16 Band D Council Tax Precept	1.96%	1.96%
17 Business Rate Yield	2.00%	2.00%
18 Business Rate Support Grant	2.00%	2.00%

Hereford & Worcester Fire Authority 2018/19
Policy & Resources Committee: 31st January 2018
Changes from Interim to Revised MTFP

	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
1 Interim MTFP Gap	0.000	0.000	0.000	0.947		
2 Expenditure Variations:						
3 Revised Pay Award Calculation	(0.105)	0.009	0.032	0.014		
4 Additional Pay Award			0.165	0.378		
5 Revised Fire Control saving				0.200		
6 Revised estimate of Property back-log	(0.453)	(0.232)	0.114	0.160		
7 change in Phasing of use of Property Reserve	0.101	0.232	(0.185)	(0.160)		
8	(0.457)	0.009	0.126	0.592		
Funding Variations:						
9 Net Grant Changes	(0.007)	0.054	0.055	0.056		
10 75% Business Rates			0.186	(0.394)		
11 Council Tax-base changes	0.016	0.111	0.182	0.257		
12 Council Tax Collection Fund	(0.151)					
13 Business Rate Yield						
14 Business Rate S31 Grant						
15 Business Rate Collection Fund						
16	(0.142)	0.165	0.423	(0.081)		
17 change in Phasing of use of Other Reserves	0.599	(0.174)	(0.425)	0.000		
18 Revised MTFP Gap	(0.000)	0.000	0.124	1.458	1.308	1.146
Impact of Increased Council Tax Precept						
19 Raising Council Tax by 3%	(0.223)	(0.462)	(0.474)	(0.490)	(0.506)	(0.520)
20 further change in Phasing of use of reserves	0.223	0.462	0.351	(0.968)	(0.068)	
21 Resulting MTFP Gap	(0.000)	0.000	0.001	0.000	0.734	0.626

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Reserves Strategy

		Deferred Expd. Reserves	Property Mtnce. Reserves	Funding Reduction Reserves	Other Reserves	Total E-marked Reserves	General (Unalloc.) Reserves	Total Reserves
1	Balance at 31st March 2017	5.381	0.213	4.069	1.844	11.507	1.838	13.345
	2017/18 Impact:							
2	Existing Property Reserve		(0.054)			(0.054)		(0.054)
3	Additional Property Reserve		0.713			0.713		0.713
4	Funding Equipment etc.	(0.033)				(0.033)		(0.033)
5	Supporting the Budget Gap			(0.703)		(0.703)		(0.703)
6	Expected at 31st March 2018	5.348	0.872	3.366	1.844	11.430	1.838	13.268
7	Funding Equipment etc. 18/19	(0.840)	(0.260)			(1.100)		(1.100)
8	19/20	(1.050)	(0.120)			(1.170)		(1.170)
9	20/21	(2.791)	(0.185)			(2.976)		(2.976)
10	21/22	(0.667)	(0.160)			(0.827)		(0.827)
11	22/23		(0.147)			(0.147)		(0.147)
12	HVP Accommodation 18/19				(0.140)	(0.140)		(0.140)
13		0.000	0.000	3.366	1.704	5.070	1.838	6.908
14	Supporting the Budget Gap 18/19			(0.012)		(0.012)	(0.300)	(0.312)
15	19/20			(1.375)		(1.375)		(1.375)
16	20/21			(1.978)		(1.978)		(1.978)
17	21/22					0.000		0.000
18	22/23					0.000		0.000
19	Expected at 31st March 2021	0.000	0.000	0.001	1.704	1.705	1.538	3.243
	<u>Based on 1.96% Precept Increase</u>							
	Balance at 31st March 2017	5.381	0.213	4.069	1.844	11.507	1.838	13.345
	Expected at 31st March 2018	5.348	0.872	3.366	1.844	11.430	1.838	13.268
	Expected at 31st March 2019	4.508	0.612	3.354	1.704	10.178	1.538	11.716
	Expected at 31st March 2020	3.458	0.492	1.979	1.704	7.633	1.538	9.171
	Expected at 31st March 2021	0.667	0.307	0.001	1.704	2.679	1.538	4.217
	Expected at 31st March 2022	0.000	0.147	0.001	1.704	1.852	1.538	3.390
	Expected at 31st March 2023	0.000	0.000	0.001	1.704	1.705	1.538	3.243
	<u>If Precept Increase is different</u>	1.96%	2.98%					
	Balance at 31st March 2017	13.345	13.345					
	Expected at 31st March 2018	13.268	13.268					
	Expected at 31st March 2019	11.716	11.939					
	Expected at 31st March 2020	9.171	9.856					
	Expected at 31st March 2021	4.217	5.253					
	Expected at 31st March 2022	3.390	3.458					
	Expected at 31st March 2023	3.243	3.243					

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Proposed Fleet Procurements 2017/18 & 2018/19

Vehicle Type	2018/19	2019/2020	Comments
Vans white fleet	3	2	
Cars, white fleet	9*	Nil	*Several additional new cars may be required in addition to existing fleet strategy due to changing demands and structures in Service Delivery
Minibus	2	Nil	Young Firefighters Association (YFA) and Training Centre Minibuses
Fire Appliances**	10 + 2	8	*A pilot scheme for 2 smaller fire appliances is included within this year as part of the replacement programme
Command Support Unit	2*	Nil	* Delayed from 2017/18
Water Carrier	2*	Nil	To be reviewed in 2018
Responding Officer Cars	24	11*	*No cars were replaced in 2017/18 hence carry over into 2018/19. Also 2019/20 cars may be purchased in 2018/19 year.
Trailers	3*		*carried over from previous year
Restricted Access Vehicles	Nil*	Nil	*Deferred to 2020/21.
Off Road Vehicles	Nil	1	

- 1 Fire Appliances (Large) – Within the Fleet Strategy there is provision for 20 replacement fire engines 2017 – 2021. These new fire engines are required within this time period to ensure the average age of the front line fire engine fleet is reduced to below fifteen years in line with the Fleet Strategy. Some of these vehicles may be substituted with smaller 'van' sized fire engines, subject to the success of a pilot scheme in 2018/19.
- 2 A full review of the chassis specification of the large fire engines has been undertaken to inform any future procurement process. Following a procurement tender competition process (Nov 2017) it has been identified that the continued procurement of the current Scania chassis provides best value against the fleet and user specification.
- 3 Exact vehicle costs are difficult to determine until the procurement process commences and the specification is tested against the market. The fleet capital programme provides appropriate funding for these proposed procurements and is agreed with the Treasurer and Deputy Chief fire Officer.
- 4 Funding for the replacement fleet vehicle programme is allocated through the capital programme and is reviewed by the Treasurer on a regular basis.