

Hereford & Worcester Fire and Rescue Authority
Budget 2012/13 : Revenue Budget

	£m
1 2011/12 Net Budget Requirement	31.195
2 Change in Treatment	
3 Addback : 2011/12 Council Tax Freeze Grant	0.519
4 Addback : Special Grants	1.175
5	32.889
6 Base changes	
7 Pay Award Contingency	0.180
8 General Inflation Contingency	0.360
9	0.020
10	0.560
11 Capital Programme	
12 Impact of Asset Management Plan & Fleet Strategy	0.229
13	0.229
14 Other Pressures	
15 Cessation of Commercial Training (<i>budget effect</i>)	0.050
16 Control Resilience Project - running costs	0.080
17 RDS - Settlement of Part-time working issues	0.050
18 Operational Equipment (<i>obsolescence</i>)	0.210
19 Property Maintenance	0.250
20	0.640
21 Cost Savings (Net)	
22 Firefighter pensions - drift to new scheme	(0.098)
23 Redundancy Restructuring	(0.337)
24 Other Restructuring	(0.091)
25 2011/12 Base Budget Savings	(0.406)
26 Operational Logistics	0.151
27	(0.781)
28 One-Off (2012/13 only) Costs	
29 Redundancy/Pension Strain Costs	0.284
30	0.284
31 NET BUDGET	33.821

Hereford & Worcester Fire and Rescue Authority

Budget 2012/13 : Explanation of Variations in Appendix 1

<u>Change in Treatment</u>	(Lines 3 & 4)
The Localism Act has changed the detail of the way Local Authorities calculate their Council Tax (but it has no impact on the final calculation. Previously there was an obligation to calculate a "Net Budget Requirement" as a first stage. Some items of grant were deducted before arriving at this figure and other similar grants were treated afterwards. Under the Localism Act the Council Tax Requirement is the only calculation required. To simplify matters going forward, the budget is adjusted to remove all grants.	
<u>Pay Award Contingency</u>	(Line 7)
Local Government employees will have completed the 2 year pay freeze by 2012/13 and a provision is made in line with the second stage of the Chancellors public pay policy - limited to 1%.	
<u>General Inflation Contingency</u>	(Line 8)
Averages 4.3% overall (with higher provision for fuel, business rates and utilities) and partially reflects the fact that average inflation over 2011/12 was over 4%, but only 3% was provided in the budget.	
<u>LGPS - Increased Contribution Rate</u>	(Line 9)
The last valuation of the Worcestershire Pension Fund requires an increase in annual employer contributions.	
<u>Impact of Asset Management Plan & Vehicle Strategy</u>	(Line 12)
The changes reflect the overall additional capital financing charges arising from the capital programme. The impact shown includes interest, provision for repayment and vehicle lease rentals. It is net of the current Treasury Management position in relation to risk and consequent interest receivable.	
<u>Cessation of Commercial Training</u>	(Line 15)
The amount of external training provided by the Training Centre has declined over time and the level of income significantly reduced. A review has identified that the training now costs more to deliver than the income generated.	
<u>Control Resilience Project - Running Costs</u>	(Line 167)
These are short term costs associated with the necessary dual running of new and old systems in the cut-over year. The MTFS projection shows these dropping dramatically from 2013/14.	
<u>RDS- Settlement of Part Time Working Issues</u>	(Line 17)
The annual cost of changes to the terms and conditions of RDS staff following settlement of this long running national issue.	
<u>Operational Equipment</u>	(Line 18)
Additional provision for replacement of equipment that has now become obsolete. In particular thermal imaging cameras where parts are no longer available and common equipment across all appliances is essential	
<u>Property Maintenance</u>	(Line 19)
Provision for additional maintenance costs as significant electrical installations are obsolete and require replacement and pending legislation regarding air-conditioning systems	
<u>Fire-fighter Pensions</u>	(Line 22)
As the old Pension scheme was closed to new entrants in 2006, new starters join the new scheme which has a lower notional employers contribution.	
<u>Redundancy Restructuring</u>	(Line 23)
To meet the future budget pressures a review of activities has identified different ways of under-taking activities which has resulted in a net reduction in support posts of 13 (11.2 FTE). This is not being achieved without redundancies some of which may be compulsory.	
<u>Other Restructuring</u>	(Line 24)
Further review of activities involving removal of posts not involving redundancy and the compulsory redundancies (4) made in 2011/12.	
<u>2011/12 Base Budget Savings</u>	(Line 25)
Savings identified by budget holders in 2011/12 that can be permanently removed from the budget.	
<u>Operational Logistics</u>	(Line 26)
Diversion of some of the base budget savings to strengthen the Operational Logistics function to better support front line operations - including hydrant inspection and vehicle maintenance	
<u>One-Off (2012/13 only) Costs</u>	(Line 29)
Cost associated with redundancy, that are not on-going.	

Hereford & Worcester Fire and Rescue Authority**Budget 2012/13** : Personnel Budget

	Wholetime Firefighters FTE	Retained Firefighters H/C	Control Room Staff FTE	Non- Uniformed Support FTE	TOTAL
Core Budget 2011/12	313.0	369.0	25.0	135.7	842.7
Net Redundancies				(11.2)	(11.2)
Investment in Operational Logistics	1.0			3.5	4.5
Other Restructuring	(2.0)			(2.7)	(4.7)
					0.0
Included in Budget 2012/13	312.0	369.0	25.0	125.3	831.3

Hereford & Worcester Fire and Rescue Authority
Budget 2012/13 : Revenue Budget Allocation

		2011/12				(5) Cost Pressures £m	(6) Capital Prog £m	(7) Other Issues £m	(8) Cost Savings £m	(9) Other £m	2012/13 (10) Proposed Budget £m
		(1) FRA Allocation £m	(2) Internal Re-alloc £m	(3) Re-define Grants £m	(4) Re-stated Allocation £m						
1	WT FF Pay	13.923			13.923						13.874
2	RDS FF Pay	3.135			3.135			0.050			3.185
3	USAR Pay	0.000	0.725		0.725						0.725
4	Control Pay	0.798			0.798						0.798
5	Support Pay	4.014			4.014	0.020			(0.326)		3.708
6	Other Employee Costs	0.036			0.036	0.002					0.038
7	Inflation Provision	0.000			0.000	0.180					0.180
8	ST Costs Provision	0.000			0.000					0.284	0.284
9	Unfunded Pensions	0.738			0.738	0.016					0.754
10		22.644	0.725	0.000	23.369	0.216	0.000	0.050	(0.375)	0.284	23.546
11	Strategic Management	0.033	(0.005)		0.028						0.028
12	2011/12 Savings	0.000	0.406		0.406				(0.406)		0.000
13		0.033	0.401	0.000	0.434	0.000	0.000	0.000	(0.406)	0.000	0.028
14	USAR - Total	0.880	(0.880)		0.000						0.000
15	New Dimensions	0.000	0.155		0.155	0.007					0.162
16	Ops - HQ	0.372	(0.239)		0.133	0.008					0.141
17	Approved Centre	0.009			0.009						0.009
18	Training Dept	0.616			0.616	0.026		0.050			0.692
19		1.877	(0.964)	0.000	0.913	0.041	0.000	0.050	0.000	0.000	1.004
20	Perf Mngt	0.131	(0.046)		0.085	0.004					0.089
21	PPP - Org Dev	0.247	(0.043)		0.204	0.009					0.213
22	Ops Policy	0.070	(0.006)		0.064	0.003					0.067
23	Personnel	0.313	(0.035)		0.278	0.012					0.290
24	PPP - FRA Costs	0.130			0.130	0.006					0.136
25		0.891	(0.130)	0.000	0.761	0.034	0.000	0.000	0.000	0.000	0.795
26	Ops Logistics	1.010	0.303		1.313	0.043		0.210			1.566
27	Fleet	0.550			0.550	0.041		0.250			0.841
28	ICT	0.959	(0.032)		0.927	0.050		0.080			1.057
29	Facilities Mngt	1.576			1.576	0.113					1.689
30	Legal Services	0.060			0.060	0.001					0.061
31	Insurances	0.312	(0.023)		0.289	0.012					0.301
32	Finance (FRS)	0.121	(0.002)		0.119	0.005					0.124
33	Finance SLA	0.163	(0.005)		0.178	0.002					0.180
34		4.771	0.241	0.000	5.012	0.267	0.000	0.540	0.000	0.000	5.319
35	Capital Financing	2.400			2.400		0.229				2.629
36	Firelink Service Charges	0.046	(0.046)		0.000						0.000
37		2.446	(0.046)	0.000	2.400	0.000	0.229	0.000	0.000	0.000	2.629
38	Special Grants	(1.467)	(0.227)	1.694	0.000						0.000
39		(1.467)	(0.227)	1.694	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	Net Budget	31.195	0.000	1.694	32.889	0.560	0.229	0.640	(0.781)	0.284	33.821
Appendix 1 reference											
		Line 1		Lines 3&4	Line 5	Line 10	Line 13	Line 20	Line 27	Line 29	Line 31

Hereford & Worcester Fire and Rescue Authority**Budget 2012/13 : Budget Savings since 2010/11**

	FTE	2012/13 & later yrs £000
1 Net Saving reduction of ACFO Uniform Post	1.00	121,400
2 2011/12 Redundancies		
3 PA to ACFO Support Post REDUNDANCY	0.70	18,600
4 JFS Coordinator Support Post REDUNDANCY	1.00	29,600
5 Data Process Administrator Support Post REDUNDANCY	1.00	23,700
6 Community Safety Manager Support Post	1.00	38,300
7 2012/13 Net Redundancies Support Posts REDUNDANCIES	11.20	337,000
8 Occupational Health contract		10,000
9 Principal Officer Car Financing		4,500
10 Response Car Financing (Freelanders)		21,000
11 PPE Contract		7,000
12 Removal of Water Coolers at HQ		5,000
13 Abolition of 1st Class Travel		<i>marginal</i>
14 Removal of Internal meeting Catering		<i>marginal</i>
15 Budget-holder Savings in 2011/12 - net of re-allocation		255,000
16 Treasurer (S151) arrangements		3,000
	15.90	874,100

Hereford & Worcester Fire and Rescue Authority
Budget 2012/13 : Capital Programme

	PROBABLE	BUDGET	PROGRAMME					
	(1) 2011/12 £m	(2) 2012/13 £m	(3) 2013/14 £m	(4) 2014/15 £m	(5) Sub-Tot £m	(6) 2015/16 £m	(7) TOTAL £m	
Vehicle Programme								
1 Routine Replacements (Pumps)	0.880	0.660	0.660	0.660	2.860	0.880	3.740	
2 Bulk Foam Capability		0.060			0.060		0.060	
3 Routine Replacements (4WD)	0.052	0.052			0.104		0.104	
4 Routine Replacements (Off-Road)	0.026		0.026		0.052		0.052	
5 Rope Rescue Vehicle	0.028				0.028		0.028	
6 Incident Support Vehicle (ISU)	0.074				0.074		0.074	
7 Water Carrier					0.000	0.120	0.120	
8 Routine Replacements (RAV)					0.000	0.190	0.190	
9 Command Unit			0.350		0.350		0.350	
10 Pumps at end of Primary Lease <i>note 1</i>	0.132				0.132		0.132	
11 Response Cars <i>note 1</i>	0.417			0.108	0.525	0.310	0.835	
12	1.609	0.772	1.036	0.768	4.185	1.500	5.685	
Major Building Schemes								
13 Provision for future Business Cases	0.371	6.460	6.100	7.509	20.440	3.200	23.640	
14	0.371	6.460	6.100	7.509	20.440	3.200	23.640	
Other Schemes								
15 Control Resilience Project	1.933	0.278	0.076	0.000	2.287		2.287	
16 Property, Information Technology, 17 Communications etc.	0.698	0.960	0.600	0.600	2.858	0.600	3.458	
	2.631	1.238	0.676	0.600	5.145	0.600	5.745	
18 Annual Total	4.611	8.470	7.812	8.877	29.770	5.300	35.070	

Note 1 : previously assumed to be financed from leasing

Note 2 : Excludes impact of any slippage from 2011/12

Hereford & Worcester Fire and Rescue Authority**Budget 2012/13 : Council Tax Requirement Calculation**

Following the Localism Act 2011, there is no longer a requirement for an Authority to calculate a Net Budget Requirement in order to calculate the Precept. The new Act requires only that a Council Tax Requirement is calculated. Although this process is different to that used previously, the outcome is the same and the 2011/12 calculation is shown as well for clarity.

	2011/12	2012/13
Net Budget	32,903,282.00	33,821,000.00
Less: Fire Revenue Grant		
Firelink Costs	(167,976.00)	(167,976.00)
Fire Control	(20,000.00)	
New Dimensions	(1,001,000.00)	(1,001,000.00)
	(1,188,976.00)	(1,168,976.00)
Less: Formula Grant		
Share of National Non-Domestic Rates (Business Rates)	(7,949,813.00)	(10,373,646.00)
Revenue Support Grant	(2,457,310.00)	(211,150.00)
2011/12 Council Tax Freeze Grant	(518,906.00)	(518,906.00)
2012/13 Council Tax Freeze Grant	0.00	(625,997.00)
	(10,926,029.00)	(11,729,699.00)
Less: Collection Fund Deficits/(Surpluses)		
Bromsgrove	(16,220.00)	(37,237.00)
Herefordshire	0.00	0.00
Malvern Hills	0.00	0.00
Redditch	(7,016.00)	0.00
Worcester	10,147.07	0.00
Wychavon	0.00	0.00
Wyre Forest	(17,701.00)	(17,843.00)
	(30,789.93)	(55,080.00)
COUNCIL TAX REQUIREMENT	20,757,487.07	20,867,245.00
Tax-base : Band D Equivalent		
Bromsgrove	36,548.42	36,643.86
Herefordshire	71,465.84	71,981.60
Malvern Hills	30,529.59	30,710.67
Redditch	27,569.18	27,611.67
Worcester	32,991.00	33,113.00
Wychavon	47,651.91	47,837.51
Wyre Forest	35,105.00	35,461.00
	281,860.94	283,359.31
Precept - Band D Equivalent	£ 73.6444	£ 73.6423
	£ 73.64	£ 73.64
Total Precept on Billing Authorities	£	£
Bromsgrove	2,691,587.40	2,698,539.90
Herefordshire	5,263,060.75	5,300,894.06
Malvern Hills	2,248,334.12	2,261,605.86
Redditch	2,030,316.43	2,033,388.22
Worcester	2,429,603.25	2,438,519.08
Wychavon	3,509,297.55	3,522,866.57
Wyre Forest	2,585,287.57	2,611,431.31
	20,757,487.07	20,867,245.00
	0.00	0.00

Equivalent to Tax at Band	Ratio to Band D	£	£
A	6/9	£ 49.1000	£ 49.1000
B	7/9	£ 57.2800	£ 57.2800
C	8/9	£ 65.4600	£ 65.4600
D	9/9	£ 73.6400	£ 73.6400
E	11/9	£ 90.0100	£ 90.0100
F	13/9	£ 106.3800	£ 106.3800
G	15/9	£ 122.7400	£ 122.7400
H	18/9	£ 147.2800	£ 147.2800

Hereford & Worcester Fire and Rescue Authority
Medium Term Financial Forecasts

		2012/13 Budget £m	2013/14 Forecast £m	2014/15 Forecast £m	2015/16 Forecast £m
5	2011/12 Core Budget	32.889	32.889	32.889	32.889
6	Base changes				
6a	Less one-off 2011/12 & 2012/13 Public Holiday		(0.020)	(0.020)	(0.020)
7	Pay Award Contingency	0.180	0.400	0.800	1.480
8	General Inflation Contingency	0.360	0.660	0.960	1.220
9	LGPS - increased contribution rate	0.020	0.040	0.060	0.080
10		0.560	1.080	1.800	2.760
11	Capital Programme				
12	Impact of Asset Management Plan & Fleet Strategy	0.229	0.479	0.729	0.979
13		0.229	0.479	0.729	0.979
14	Other Pressures				
15	Cessation of Commercial Training (<i>budget effect</i>)	0.050	0.050	0.050	0.050
16	Control Resilience Project - running costs	0.080	0.013	0.013	0.013
17	RDS - Settlement of Part-time working issues	0.050	0.050	0.050	0.050
18	Operational Equipment (<i>obsolescence</i>)	0.210			
19	Property Maintenance	0.250			
20		0.640	0.113	0.113	0.113
21	Cost Savings (Net)				
22	Fire-fighter pensions - drift to new scheme	(0.098)	(0.098)	(0.098)	(0.098)
23	Redundancy Restructuring	(0.337)	(0.337)	(0.337)	(0.337)
24	Other Restructuring	(0.091)	(0.091)	(0.091)	(0.091)
25	2011/12 Base Budget Savings	(0.406)	(0.406)	(0.406)	(0.406)
26	Operational Logistics	0.151	0.151	0.151	0.151
27		(0.781)	(0.781)	(0.781)	(0.781)
28	One-Off (2012/13 only) Costs				
29	Redundancy/Pension Strain Costs	0.284			
30		0.284	0.000	0.000	0.000
31	PROJECTED NET BUDGET NEED	33.821	33.780	34.750	35.960
		2012/13 Budget	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
32	Band D Increase		3.45%	3.45%	3.45%
33	Tax-base Increase		0.00%	0.00%	0.00%
34	Grant Change		-8.50%	-5.00%	-5.00%
35	Band D Tax	£ 73.64	£ 76.18	£ 78.81	£ 81.53
36	Tax-base	283,359.31	283,359.31	283,359.31	283,359.31
37	Council Tax				
38	Council Tax Yield	£m (20.867)	(21.586)	(22.331)	(23.102)
39	Net Collection fund Surpluses	£m (0.055)			
40	estimated impact of Council Tax Benefit Localisation	£m 0.300	0.300	0.300	0.300
41		(20.922)	(21.286)	(22.031)	(22.802)
42	Formula Grant				
43	Allocation and estimate	£m (10.585)	(9.685)	(9.201)	(8.612)
44	estimated impact of changed pay assumptions	£m 0.059	0.059	0.136	
45	2011/12 Council Tax Freeze Grant	£m (0.519)	(0.519)	(0.519)	(0.519)
46		(11.104)	(10.145)	(9.584)	(9.131)
47	Special Grants				
49	New Dimensions	£m (1.001)	(1.001)	(1.001)	(1.001)
50	FireLink	£m (0.168)	(0.168)	(0.168)	
51	2012/13 Council Tax Freeze Grant	£m (0.626)			
52		(1.795)	(1.169)	(1.169)	(1.001)
53	Gross Resources	£m (33.821)	(32.600)	(32.784)	(32.934)
54	BUDGET GAP	0.000	1.180	1.966	3.026