



HAMPSHIRE
**FIRE AND
RESCUE**
AUTHORITY

Revenue Budget 2011/12

and

Capital Programme 2011/12 to 2014/15

Hampshire Fire and Rescue Authority

Revenue Budget 2011/12

Capital Programme 2011/12 – 2013/14

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Chief Officer

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Treasurer

Introduction

- 1 This document sets out the details of the Hampshire Fire and Rescue Authority's Revenue Budget for 2011/12 and Capital Programme for the 3 year period 2011/12 – 2013/14.
- 2 25 Councillors make up the Authority:
 - 19 from Hampshire County Council
 - 3 from Portsmouth City Council
 - 3 from Southampton City Council

The Membership (as at March 2011) is:

Hampshire County Council Members

Councillors:	I Beagley	Conservative (Vice-Chairman)
	A Carew	Liberal Democrat
	C Carter	Conservative
	K Chapman	Conservative
	Sam Darragh	Liberal Democrat
	A Evans	Conservative
	L Fairhurst	Conservative
	Mrs J Frankum	Labour
	D Harrison	Liberal Democrat
	R Kimber	Conservative
	T Knight	Conservative
	R McIntosh	Conservative
	E Neal	Conservative
	F Pearce	Conservative
	R H Price	Liberal Democrat
	D Simpson	Liberal Democrat
	Mrs M Tucker	Conservative
	A Weeks	Liberal Democrat
	J West	Conservative

Portsmouth City Council Members

Councillors:	A Fraser	Liberal Democrat
	D Fuller	Liberal Democrat
	F Jonas	Conservative

Southampton City Council Members

Councillors:	P Marsh-Jenks	Labour
	J Moulton	Conservative
	R Smith	Conservative (Chairman)

Section A

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Summary of Revenue Budget 2011/12

1 Summary

The budget for the Authority for 2011/12 has been set at £68,674,000.

2 Basis of Preparation

The budget was prepared using a base budget position taking account of:

- the original budget for 2010/11 increased to the November 2010 price base
- the net cost of salary increments
- changes in the cost of capital financing
- full year effect of previous years' growth
- an estimate of the costs of inflation from November 2010 to March 2012

This budget was compiled against the background of the approved financial management strategy which is set out on pages 9 - 11.

3 Make-up of the Budget

	£'000
Original budget 2010/11	68,160
Add full year costs of inflation to November 2010	-234
Add growth items allowed in the base budget:	
Interest and statutory provision for debt repayment	229
Full year effect of previous years' growth and budget adjustments	-651
Provision for inflation from November 2010 to outturn 2011/12	850
Hampshire Fire and Rescue Authority (HFRA) firefighter pension costs	9
Net change in leasing costs	-135
Base budget 2011/12	68,228

Base budget 2011/12 carried forward	68,228
New expenditure:	
Costs of FireLink	135
Council Tax Freeze Grant	-973
Efficiencies	-485
Contribution to grant reduction reserve	440
Further contribution to capital payments reserve	1,329
Budget requirement 2011/12	68,674

4 Full year cost of inflation to November 2010 prices

The original budget has been reduced to reflect the actual costs of inflation to November 2010. Total inflation is -£234,000 for pay and prices. The main reason for the reduction is that there were no pay awards provided in 2010.

5 Interest and provision for statutory debt repayment costs

Interest payable to the Public Works Loans Board together with the amount that has to be set aside for the statutory provision for debt repayment increase these budget heads overall by £229,000 in 2011/12. It is assumed there will be no change in interest payable to the County Council.

6 Full year effect of previous years' growth and budget adjustments

These decrease the budget by £651,000. This is mainly due to the contributions to the Grant Reduction and Capital Payments Reserves offset by the cost of new breathing apparatus which were decisions for one year only.

7 Provision for future inflation

The provision for inflation from November 2010 to March 2012 has been calculated based on 0% for firefighters and support staff pay awards, 2.5% for pension payments that the Authority is still liable for and 2.5% for most other costs. An increase in local government employer's pension contributions of 0% for support staff and 0% for employer's pension contributions for firefighters has also been provided for.

8 HFRA firefighters pension costs

The pension costs for which the Authority is liable for are estimated to increase by £9,000 in 2011/12.

9 Reduction in leasing costs

This is the reduction in costs in the year of the leasing charges falling out as leases expire.

10 Costs of FireLink

The installation of this new radio system was at no cost to the Authority. However all future costs will be charged to the Authority and this represents the expected costs in 2011/12.

11 Council Tax Freeze Grant

This is the Government Grant equivalent to a 2.5% increase in Council Tax which is receivable by the Authority in return for setting a zero percent increase in Council Tax.

12 Efficiencies

Efficiencies identified in 2010/11 totalling £485,000 have been incorporated into the base budget.

13 Contribution to grant reduction reserve

Contributions of £440,000 to the grant reduction reserve and £1,429,000 to the capital payments reserve are planned for 2011/12.

Paying for the Service

Actual 2009/10 £000		Original 2010/11 £000	Budget 2011/12 £000
66,659	Budget requirement	68,160	68,674
5,384	Revenue Support Grant	3,711	6,926
23,326	Non-Domestic Rates	25,555	22,406
237	Net surplus on collection fund	245	441
37,712	Precept – met by council taxpayers	38,649	38,901
625,403.94	Taxbase Band D equivalent dwellings	629,663.69	633,772.58
£60.30	Council tax per Band D dwelling	£61.38	£61.38
3.6%	Increase over previous year	1.8%	0%
	Council taxes for each band		
40.20	Band A up to £40,000	40.92	40.92
46.90	Band B £40,001 - £52,000	47.74	47.74
53.60	Band C £52,001 - £68,000	54.56	54.56
60.30	Band D £68,001 - £88,000	61.38	61.38
73.70	Band E £88,001 - £120,000	75.02	75.02
87.10	Band F £120,001 - £160,000	88.66	88.66
100.50	Band G + £160,001 - £320,000	102.30	102.30
120.60	Band H above £320,000	122.76	122.76

Analysis of reserves

Actual 2009/10 £000		Original 2010/11 £000	Revised 2010/11 £000	Budget 2011/12 £000
1,666	Unearmarked balance at 1 April	2,000	2,500	2,500
2,053	Earmarked reserves at 1 April	1,464	4,002	4,461
<u>37,949</u>	Estimated precept income	<u>38,894</u>	<u>38,894</u>	<u>39,342</u>
41,668		42,358	45,396	46,303
37,726	Expenditure to be met from precept, reserves and balances	38,240	38,435	38,545
3,942	Total reserves as at 31 March	4,118	6,961	7,758
2,276	Less earmarked reserves as at 31 March	2,118	4,461	5,258
1,666	Unearmarked balance at 31 March	2,000	2,500	2,500

Financial Management Strategy

Overall purpose: to provide the necessary financial resources to enable the Service to make life safer in Hampshire, and to ensure a high standard in the management of public finances.

Financial Planning - Budget strategy

- The budget strategy will be clearly related to the priorities set out in the HFRS Corporate Plan.
- Growth and savings proposals to be presented in a transparent manner to members as part of the annual budget cycle, identifying planned outcomes and performance improvements for budget growth and mechanisms for achieving any significant savings.
- Ensure that the long-term level of revenue commitments does not exceed long-term funding likely to be available including reasonable expected levels of future grant settlement and council tax.
- Maintain three-year budget projections based where necessary on alternative scenarios to reflect uncertainty of spending and resource assumptions in order to set the likely context for making final resource allocation decisions on an annual basis.
- Seek to achieve Government targets for efficiency gains – all targets have been met to date.
- Set a prudent minimum level of reserves based on a strategic-level risk assessment and reassessed annually as part of the budget process.
- Operate within firm cash limits, allocating provision for inflation at the start of the financial year.
- Contain spending within the approved cash limit for the year with no supplementary allocations being made from reserves other than in exceptional circumstances.
- Seek best value for money in services which should always include considerations for quality, risk to achieve sustainability, environmental impact, local economic development and equalities as well as price.
- Aim to achieve a level of council tax that is in the lower quartile of the taxes of Combined Fire Authorities.
- Seek to keep council tax increases at or below the average increase in state pensions.

Capital programming

- Review capital strategy on an annual basis and prepare a four-year programme in the light of needs identified in the Corporate Plan, vehicle replacement programme and built estate condition survey, and prepare a three year capital programme in accordance with the strategy.
- Continue to reduce the proportion of vehicles leased and aim for full ownership of the fleet.
- Reinvest income from disposal of capital assets where possible in order to fund new developments and initiatives identified in the Corporate Plan.

Provision of Financial Services - effective management of budgets

- Maintain rigorous annual budgeting and budget monitoring processes.
- Maintain integrated accounting, budgetary and human resources systems.

Ensuring good practice and probity

- Apply sound financial regulations and associated financial procedures in support of good practice in financial administration and corporate governance.
- Provide an effective and efficient internal audit function which works co-operatively with the service's external auditors.
- Recognise the statutory role of the Treasurer in ensuring lawful and financially prudent decision making.
- Report the internal audit strategy to the Governance Committee.
- Present an annual internal audit assessment for the Service to the Governance Committee.
- Operate and develop computing systems with enhanced provision of financial management information to users.
- Comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management.
- Comply with accounting and audit standards contained in the relevant codes of practice and CIPFA guidance.

Efficient and accessible processing of transactions

- Operate best practices in relationships with local contractors and suppliers, including payment of bills in line with the Government's prompt payment target - achieving 97% within 10 days.
- Seek continuous improvement through "customer focus" in the delivering of financial services and support.
- Improve and extend the use of computing systems in delivering financial support services to users.
- Ensure that financial systems are set up in a way which facilitates use of e-government and e-procurement.
- Review the balance of in-house and contracted-out provision of financial services with the aim of achieving best value.
- Maintain a separate bank account for the Authority irrespective of any contracted-out arrangements for financial administration.

Financial Health Indicators

The Finance and General Purposes Committee receive quarterly budget monitoring reports. The following indicators are used. Underspends are not flagged in the report unless there is a potential delivery of service issue.

Revenue budget			
	Green variances	Amber variances	Red variances
Pay and allowances	Less than +/- £100k and less than +/- 1%	+/- £100k to +/- £200k and +/- 1%	Over +/- £200k and over +/- 2%
Other	Less than +/- £50k	+/- £50k to +/- £100k	Over +/- £100k
Capital programme management			
Actual capital expenditure compared with estimate (% variation)			+/- 10%
Capital receipts and other third party contributions (% variation on financing plan)			+/- 10%

Outline Base Budget 2011/12 - 2014/15 - assuming 0% increase in council tax 2012/13 - 2014/15

Prepared at November 2010 prices with a total provision for inflation from November 2010 to outturn 2011/12. Similar inflation assumptions have been made in the following three years. Projected outturn figures are as presented to Finance and General Purposes Committee on 14 January 2011.

Projected Outturn 2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
EMPLOYEES				
33,025	33,703	33,750	33,703	33,750
6,679	6,355	6,377	6,355	6,377
10,328	10,145	10,153	10,145	10,153
1,151	1,084	1,084	1,084	1,084
910	742	841	884	838
52,093	52,029	52,205	52,171	52,202
PREMISES				
1,978	1,643	1,643	1,643	1,643
	284	284	284	284
1,786	1,850	1,850	1,850	1,850
3,764	3,777	3,777	3,777	3,777
TRANSPORT				
536	459	414	330	215
1,961	1,823	1,823	1,823	1,823
2,497	2,282	2,237	2,153	2,038
SUPPLIES AND SERVICES				
1,001	1,261	1,059	867	867
4,217	3,125	3,274	3,274	3,274
493	507	507	507	507
2,451	2,361	2,361	2,361	2,361
13	328	328	328	328
8,175	7,582	7,529	7,337	7,337
478	448	448	448	448
21	1	1	1	1
	0	0	0	0
	0	0	0	0
2,588	2,902	2,902	2,902	2,902
786	530	707	729	729
	0	0	0	0
250	250	250	250	250
	850	1,281	2,015	2,865
70,652	70,651	71,337	71,783	72,549
(2,505)	(1,329)	(1,461)	(1,329)	(1,461)
68,147	69,322	69,876	70,454	71,088
60	60	60	60	60
532	561	564	564	564
11	11	4	0	0
0	(973)	(973)	(973)	(973)
245	1,429	0	0	0
(441)	0	0	0	0
607	440	0	0	0
(1,975)	(2,176)	(2,210)	(2,275)	(2,300)
974		1,670	(2,600)	(6,500)
68,160	68,674	68,991	65,230	61,939

* The surplus/(deficit) has not been built into the base budget for the following year.

Outline Base Budget 2011/12 - 2014/15 - assuming 2.5% increase in council tax 2012/13 - 2014/15

Prepared at November 2010 prices with a total provision for inflation from November 2010 to outturn 2011/12. Similar inflation assumptions have been made in the following three years. Projected outturn figures are as presented to Finance and General Purposes Committee on 14 January 2011.

Projected Outturn 2010/11 £'000		2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
EMPLOYEES					
33,025	Wholetime firefighters	33,703	33,750	33,703	33,750
6,679	Retained firefighters	6,355	6,377	6,355	6,377
10,328	Other staff	10,145	10,153	10,145	10,153
1,151	Other employees expenses	1,084	1,084	1,084	1,084
910	Net cost of pensions	742	841	884	838
52,093	Total Employees	52,029	52,205	52,171	52,202
PREMISES					
1,978	Building maintenance	1,643	1,643	1,643	1,643
	Cleaning and refuse collection	284	284	284	284
1,786	Utilities, rents, rates etc	1,850	1,850	1,850	1,850
3,764	Total Premises	3,777	3,777	3,777	3,777
TRANSPORT					
536	Leasing	459	414	330	215
1,961	Other transport	1,823	1,823	1,823	1,823
2,497	Total Transport	2,282	2,237	2,153	2,038
SUPPLIES AND SERVICES					
1,001	Operational equipment	1,261	1,059	867	867
4,217	IT and communications	3,125	3,274	3,274	3,274
493	Insurance	507	507	507	507
2,451	Other supplies	2,361	2,361	2,361	2,361
13	Unallocated inflation provision	328	328	328	328
8,175	Total Supplies and Services	7,582	7,529	7,337	7,337
478	Bought in support services	448	448	448	448
21	Unallocated efficiency savings	1	1	1	1
	Savings to be identified	0	0	0	0
	Cost of selling assets		0	0	0
2,588	Depreciation	2,902	2,902	2,902	2,902
786	Revenue Contributions to Capital-budgeted	530	707	729	729
	Revenue Contributions to Capital financed from reserves	0	0	0	0
250	Contingency	250	250	250	250
	Provision for inflation	850	1,281	2,015	2,865
70,652	GROSS EXPENDITURE	70,651	71,337	71,783	72,549
(2,505)	LESS INCOME	(1,329)	(1,461)	(1,329)	(1,461)
68,147	NET COST OF SERVICES	69,322	69,876	70,454	71,088
60	Interest on bank balance	60	60	60	60
532	Interest on external loans	561	564	564	564
11	Interest payable on Finance Leases	11	4	0	0
0	Council Tax Freeze Grant	(973)	(973)	(973)	(973)
245	Contribution to/(from) Capital Payment Reserve	1,429	0	0	0
(441)	Contribution to/(from) Earmarked underspendings c/fwd	0	0	0	0
607	Contribution to/(from) Grant reduction reserve	440	0	0	0
(1,975)	Contribution from Capital Adjustments Account	(2,176)	(2,210)	(2,275)	(2,300)
974	Underspending		2,640	(630)	(3,500)
	Revenue Surplus/(deficit)				
68,160	BUDGET REQUIREMENT	68,674	69,961	67,200	64,939

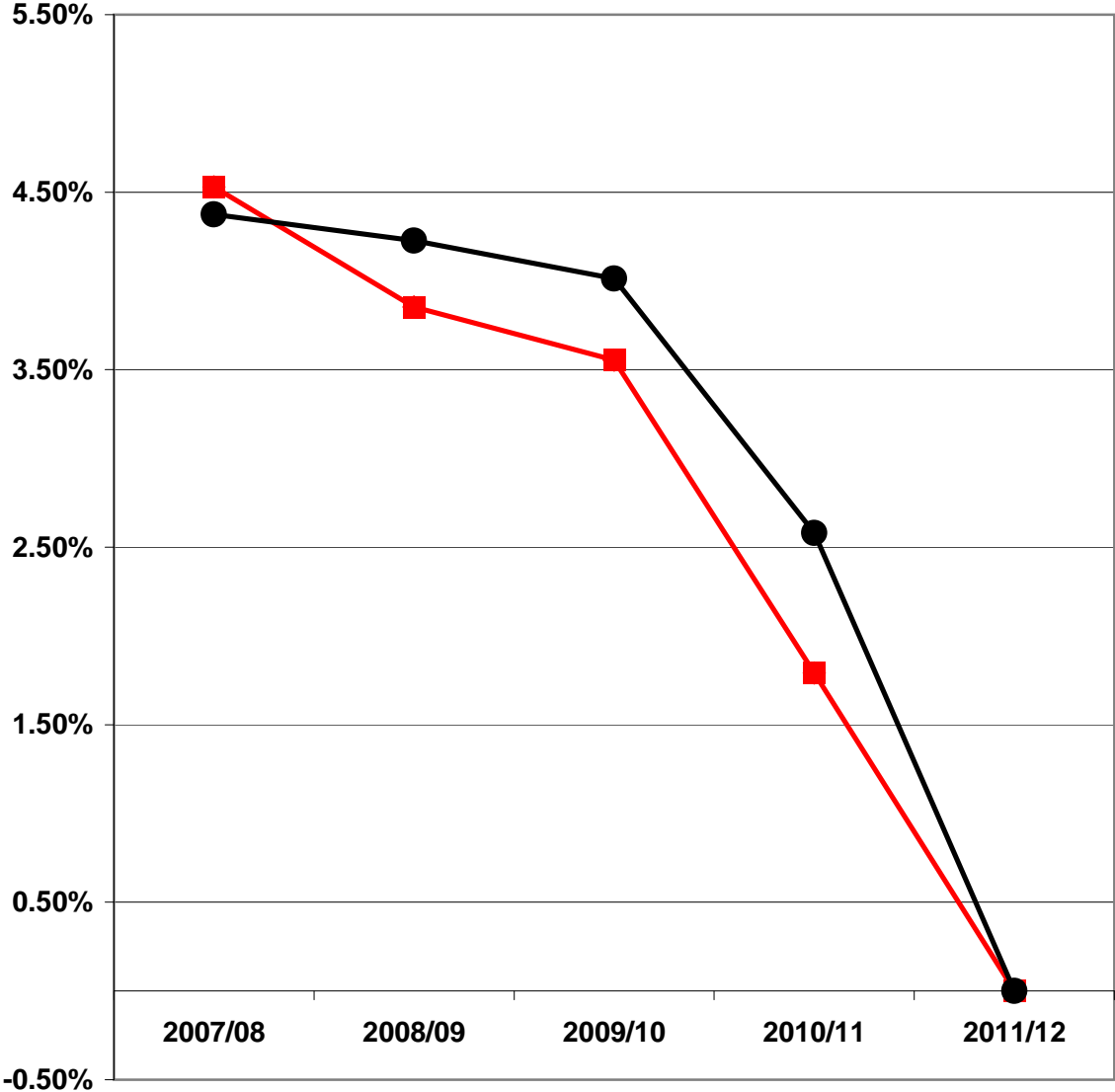
* The surplus/(deficit) has not been built into the base budget for the following year.

PRUDENTIAL INDICATORS SUMMARY

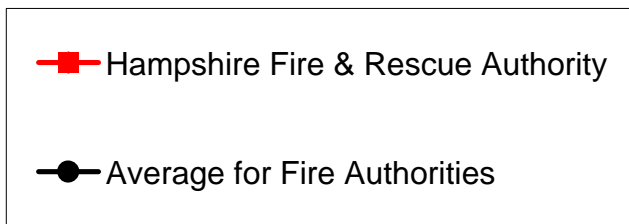
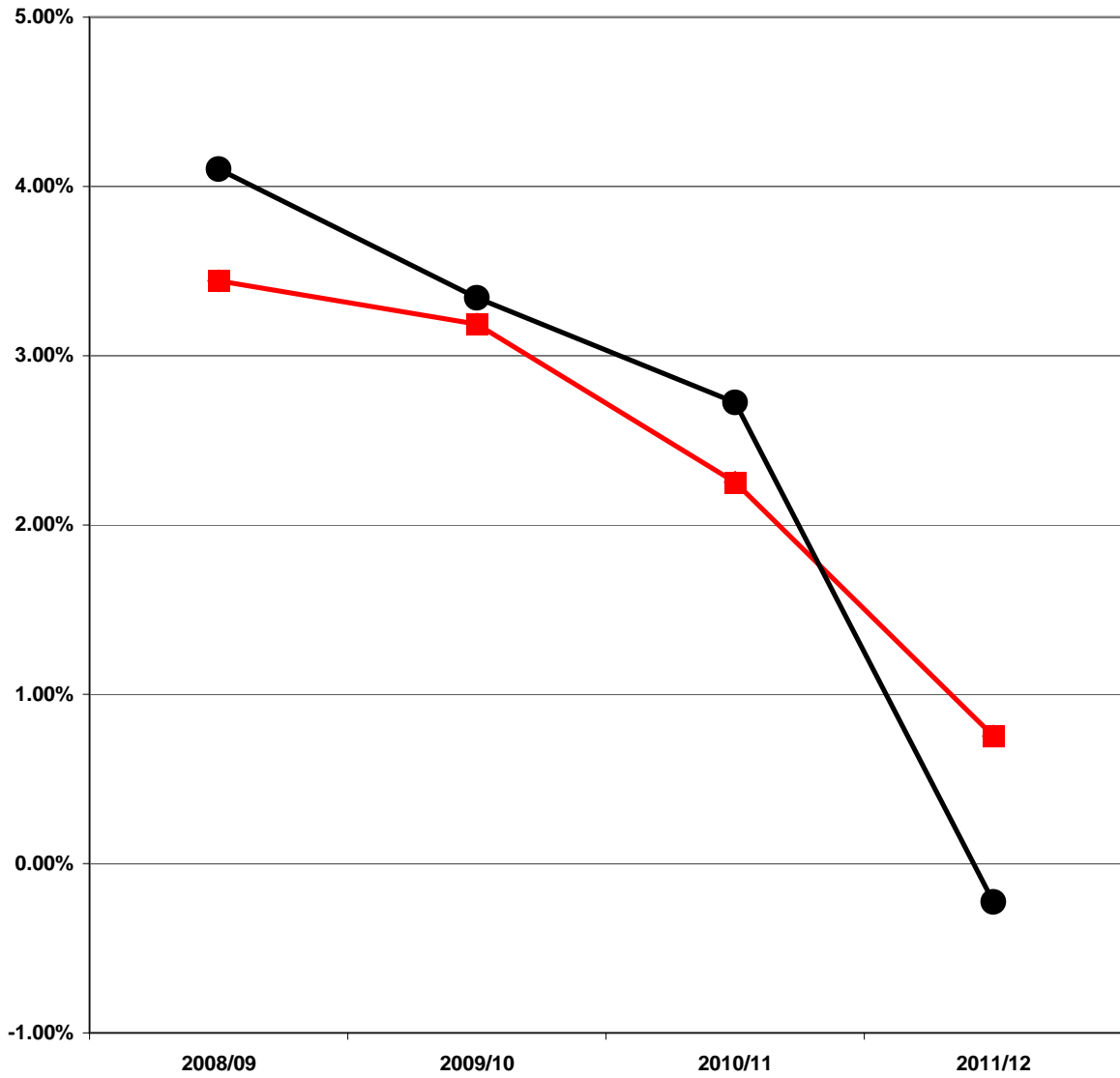
Indicator	Basis	Period	Unit	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<i>Affordability</i>									
1	Estimate	Years 1, 2 and 3	%		1.8%	2.0%	1.9%	1.8%	1.7%
2	Actual	Year end	%	1.4%					
3	Estimate	Years 1, 2 and 3 (and longer as necessary)	£ per Band D Equivalent			£0.84	£1.12	£1.16	£0.00
<i>Capital Expenditure</i>									
4	Estimate	Years 1, 2 and 3 (and longer as necessary)	£000		7,054	4,110	4,737	9,241	3,957
5	Actual	Year end	£000	4,556					
6	Estimate	Years 1, 2 and 3	£000		16,994	16,268	15,580	14,956	14,358
7	Actual	Year end	£000	13,677					
<i>External Debt</i>									
8	Estimate	Years 1, 2 and 3	£m			27.9	27.2	26.5	25.9
9	Estimate	Years 1, 2 and 3	£m			22.7	22.0	21.3	20.7
10	Actual	Year end	£000	7,450					
11	Actual	Year end	£000	2,331					
12	Actual	Year end	£000	9,781					
<i>Prudence</i>									
13	Estimate	Three year period	n/a				<input checked="" type="checkbox"/>		
<i>Treasury Management</i>									
14		All years	n/a	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
15	Estimate	Years 1, 2 and 3	£m		20.1	22.7	22.0	21.3	20.7
16	Estimate	Years 1, 2 and 3	£m		25.6	22.7	22.0	21.3	20.7
17	Estimate	All years	%			see below	see below	see below	see below
18	Estimate	All years	£m	nil	nil	2.0	2.0	2.0	2.0

Period	2011/12		2012/13		2013/14		2014/15	
	upper limit	lower limit	upper limit	lower limit	upper limit	lower limit	upper limit	lower limit
17a Up to 5 years	50%	0%	50%	0%	50%	0%	50%	0%
17b 24 months and within 5 years	75%	0%	75%	0%	75%	0%	75%	0%
17c 5 years and within 10 years	100%	0%	100%	0%	100%	0%	100%	0%

Council tax: Fire and Rescue Authorities - band D percentage increases



Percentage increases in budget



Section B – Detailed Revenue Budget 2011/12

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26-27	<i>CAPITAL ADJUSTMENT ACCOUNT, INTEREST PAYABLE AND RECEIVABLE, NON DISTRIBUTED COSTS, PENSIONS ACCOUNT</i>

Actual 2009/10		Original 2010/11	Revised 2010/11	Budget 2011/12
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The budget for the Authority for 2011/12 is £68,674,000 which is £514,000 (0.75%) more than the budget for 2010/11.

Staffing Statistics

The budget allows for the following staff:-

	Firefighters			
803	Whole-time (FTE)	774	785	782
618	Retained (24 hour cover units)	676	616	648
	Other staff :			
42	Control room staff (FTE)	48	40	36
42	Incident support team (24 hour cover units)	47	42	47
276	Administration staff including workshop employees and cleaners (FTE)	263	273	269
<hr/>		<hr/>	<hr/>	<hr/>
1,781	Total	1,808	1,756	1,782

HAMPSHIRE FIRE & RESCUE AUTHORITY

REVENUE BUDGET

Actual 2009/10		Original 2010/11	Revised 2010/11	Budget 2011/12
£'000		£'000	£'000	£'000
INCOME AND EXPENDITURE ACCOUNT				
33,411	- Wholetime firefighters	34,029	33,025	33,956
6,573	- Retained firefighters	6,297	6,679	6,403
10,226	- Other staff	10,385	10,328	10,279
968	- Other employees expenses including training	1,125	1,151	1,111
307	- Pension (net costs)	733	910	764
(6,040)	- FRS17 pension accounting adjustments	1,818	8,348	9,337
45,445		54,387	60,441	61,850
3,340	Premises	3,720	3,764	3,927
2,514	Transport	2,417	2,497	2,328
6,788	Supplies & services	7,604	8,175	7,765
492	Contracted support services	478	478	451
2,572	Capital charges	2,588	2,588	2,902
1,084	Revenue Contributions to capital-budgeted	730	786	530
-	Revenue Contributions to capital-financed from reserves	-	926	1,072
604	Increase/Decrease in provisions	-	-	-
-	Unallocated efficiency savings	79	21	1
-	Contingency	250	250	250
62,839	Gross expenditure	72,253	79,926	81,076
3,244	Less service income	1,470	2,505	1,345
59,595	NET COST OF SERVICES	70,783	77,421	79,731
70	(Gain)/loss on sale of fixed assets	-	-	-
(55)	Reversal of gain on sale of assets	-	-	-
8	Interest payable on bank balance	60	60	60
-	Interest receivable on bank balance	-	-	(20)
329	Interest on external loans	445	532	581
15	Finance lease interest payable	10	11	11
(9)	Finance lease interest receivable	-	-	-
25,720	Pensions interest cost and expected return on pensions assets	27,280	27,270	29,100
(19,680)	Movement on Pensions reserve	(29,098)	(35,618)	(38,437)
-	Council tax freeze grant	-	-	(973)
1,765	Contribution to/(from) Improvement & Sustainability reserve	-	-	-
176	Contribution to/(from) Capital Payments reserve	245	(681)	357
514	Contribution to/(from) General balance	-	-	-
340	Contribution to/(from) Grant Equalisation reserve	-	-	440
(159)	Contribution to/(from) Designated Underspending reserve	-	-	-
-	Contribution to/(from) Earmarked underspendings	(198)	(441)	-
-	Contribution to/(from) Unearmarked underspendings	607	607	-
-	Projected underspend	-	974	-
(1,970)	Contribution from capital adjustment account	(1,974)	(1,975)	(2,176)
129	Contribution to/(from) Collection Fund Adjustment Acct	-	-	-
66,788	BUDGET REQUIREMENT	68,160	68,160	68,674

MET BY				
5,384	- Revenue Support Grant	3,711	3,711	6,926
23,326	- National Non-Domestic Rates	25,555	25,555	22,406
37,841	- Precept - met by council tax payers	38,649	38,649	38,901
237	- Collection fund net surplus	245	245	441
66,788		68,160	68,160	68,674

Actual 2009/10		Original 2010/11	Revised 2010/11	Budget 2011/12
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PROTECTION

Fire Safety responsibilities range from goodwill advice to householders, to complex inspections of new and existing commercial or industrial developments.

8,988	Number of inspections carried out	9,500	9,267	9,268
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Business Education offer free seminars/workshops to educate non-domestic premises within Hampshire. The department is also responsible for the reduction of preventable incidents such as Automatic Fire Alarms and Lift rescues.

568	Non-domestic premises receiving training	570	570	500
370	Number of non-emergency lift incidents	340	400	360
3,806	Number of automatic fire alarm incidents	3,500	3,131	2,890

PREVENTING

Community Education provides, co-ordinates, monitors and evaluates safety education programmes and initiatives and fulfils a corporate role in promoting fire safety awareness through a variety of media.

283	Fire awareness safety visits KS1	330	295	290
241	School Fire Safety unit visits KS2	330	255	260
537	School liaison visits KS3	610	550	500
14,474	Other activities including home fire safety checks	10,000	12,382	12,000

RESPONDING**Operational Responses**

The Authority saves lives and protects property throughout the geographic county of Hampshire. It responded to 16,043 incidents in 2009/10 (20,817 in 2008/09).

51	Number of stations	51	51	51
303	Number of vehicles	280	303	295
16,043	Number of incidents	23,692	16,000	16,000

Communications and Mobilising

This heading includes all expenditure directly or indirectly related to the handling of emergency (999) calls from the public. In excess of 40,000 calls are received in a year. The sophisticated communications and IT systems used in the mobilising of resources to incidents is maintained by a combination of in-house technical support staff and the external contractors.

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual		Original	Revised	Budget
2009/10		2010/11	2010/11	2011/12
£'000		£'000	£'000	£'000
PROTECTION				
2,649	Employees	3,818	3,985	4,131
21	Premises	6	7	6
223	Transport	215	246	252
95	Supplies and services	87	141	115
6	Capital charges	5	16	6
490	Central support services	594	695	653
3,484		4,725	5,090	5,163
72	Less Income - fees and charges	110	87	82
3,412	Net expenditure inc in Income and Expenditure Account	4,615	5,003	5,081
PREVENTING				
1,256	Employees	1,039	2,003	1,976
-	Premises	-	-	-
48	Transport	3	22	24
180	Supplies and services	138	100	128
18	Capital charges	19	19	24
167	Central support services	189	341	317
1,669		1,388	2,485	2,469
6	Less Income - fees and charges	1	1	1
1,663	Net expenditure inc in Income and Expenditure Account	1,387	2,484	2,468
RESPONDING				
Operational Responses				
32,080	Employees	38,883	40,605	41,991
2,397	Premises	2,910	2,976	3,124
1,404	Transport	1,434	1,399	1,246
1,724	Supplies and services	2,030	1,918	2,383
2,000	Capital charges	2,030	2,030	1,999
11,518	Central support services	13,210	15,522	15,362
51,123		60,497	64,450	66,105
1,900	Less Income - fees and charges	1,130	1,496	1,006
49,223	Net expenditure inc in Income and Expenditure Account	59,367	62,954	65,099
Communications and Mobilising				
1,846	Employees	1,608	2,203	2,122
23	Premises	2	1	1
20	Transport	10	13	8
723	Supplies and services	627	536	793
117	Capital charges	66	66	117
327	Central support services	351	434	418
3,056		2,664	3,253	3,459
433	Less Income - fees and charges	81	192	80
2,623	Net expenditure inc in Income and Expenditure Account	2,583	3,061	3,379

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Securing Water Supplies

There is a duty under the Fire Services Act 1947 to secure the provision of water supplies for firefighting purposes. In practice, water companies provide the necessary water supply, but fire authorities are responsible for determining the location of hydrants and for their subsequent testing, repair and maintenance.

FIREFIGHTERS' PENSIONS

Since 1st April 2006 new financing arrangements have been in place for firefighters' pensions. The costs here represent the injury pensions and ill health charges that the Authority has to finance.

MANAGEMENT AND SUPPORT SERVICES

Transport Management and Maintenance

All vehicles owned or leased by the Authority are repaired and maintained at the fleet maintenance centre at Service HQ, Eastleigh. A 24 hour emergency callout service is also provided.

291	Number of vehicles serviced	280	291	283
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Training and development and Training Delivery

The Training Centre provides initial and continuation training for all personnel. In addition to the provision of in-service training, the development of personnel is also carried out at the Fire Service College, in Moreton-in-Marsh, Gloucestershire, universities and by other external training providers.

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual		Original	Revised	Budget
2009/10		2010/11	2010/11	2011/12
£'000		£'000	£'000	£'000
Securing Water Supplies				
155	Supplies and services	165	156	213
20	Central support services	22	25	28
175	Net expenditure inc in Income and Expenditure Account	187	181	241
FIREFIGHTERS' PENSIONS				
371	Pension Payments/Injury Pension payments	392	383	398
115	Ill health pensions (retained)	117	125	135
19	Ill health charges	241	92	252
-	Death compensation	-	320	-
255	Transfer values paid	-	-	-
5	Other pensions expenditure	-	7	-
765		750	927	785
25	Less - contributions	17	17	21
77	- transfer values received	-	-	-
663	Net expenditure inc in Income and Expenditure Account	733	910	764
MANAGEMENT AND SUPPORT SERVICES				
Transport Management and Maintenance				
985	Employees	998	1,285	1,289
17	Premises	2	5	2
649	Transport	555	620	576
94	Supplies and services	172	253	89
34	Capital charges	26	26	356
1,779		1,753	2,189	2,312
315	Less Income - fees and charges	113	242	106
-1,464	Costs allocated to services	-1,640	-1,947	-2,206
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Training Delivery				
2,983	Employees	3,360	3,998	4,054
19	Premises	40	30	41
90	Transport	111	107	137
217	Supplies and services	213	168	187
71	Capital Charges	13	13	76
3,380		3,737	4,316	4,495
116	Less Income - fees and charges	4	99	35
-3,264	Costs allocated to services	-3,733	-4,217	-4,460
-	Net expenditure inc in Income and Expenditure Account	-	-	-

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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Human Resources

The budget covers the cost of running the Human Resources Department and Occupational Health and Welfare Unit.

Corporate Services

Internal support to the Authority is provided by the following departments :

- Financial and Office Services
- Property Services
- Information (ICT) Services
- Performance Review Unit

Additional expertise is provided under contracts for services by Hampshire County Council for the following services :

- Financial services
- Legal services
- Committee secretariat
- Personnel services
- Information and Communications Technology Support
- Property Services (Architects, surveyors, etc)

Corporate and Democratic Core

The corporate and democratic core comprises two services: democratic representation and management and corporate management. Democratic representation concerns corporate policy making and all other member-based activities. Corporate management costs are those which provide the infrastructure for the service to be provided and the information required for public accountability.

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual		Original	Revised	Budget
2009/10		2010/11	2010/11	2011/12
£'000		£'000	£'000	£'000
Human Resources				
1,303	Employees	1,440	1,836	1,941
-	Premises	-	-	-
24	Transport	26	29	30
328	Supplies and services	413	468	367
3	Capital charges	3	3	16
1,658		1,882	2,336	2,354
135	Less Income - fees and charges	-	295	-
-1,523	Costs allocated to services	-1,882	-2,041	-2,354
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Corporate Services				
2,322	Employees	2,508	3,616	3,582
863	Premises	760	745	753
56	Transport	63	61	55
3,273	Supplies and services	3,759	4,435	3,490
492	Contract support services	478	478	451
323	Capital charges	426	415	308
7,329		7,994	9,750	8,639
267	Less Income - fees and charges	31	93	35
7,062		7,963	9,657	8,604
-6,271	Costs allocated to services	-7,111	-8,811	-7,758
-327	Costs allocated to democratic representation & management	-350	-378	-378
-464	Costs allocated to corporate management	-502	-468	-468
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Corporate and Democratic Core				
327	Democratic representation & management	350	378	378
464	Corporate management	502	468	468
791	Net expenditure inc in Income and Expenditure Account	852	846	846

Actual 2009/10	Original 2010/11	Revised 2010/11	Budget 2011/12
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CAPITAL ADJUSTMENT ACCOUNT

The Income and Expenditure account is charged with a depreciation charge for the use of assets with a finite life (e.g. vehicles). They are however excluded when determining council tax and the corresponding movement on the general fund balance and therefore have to be removed, and are replaced by a provision for the repayment of debt.

New regulations came into force on 31st March 2008 require a larger provision for debt repayment if unsupported borrowing is used to acquire vehicles or equipment. Currently vehicles and equipment are not financed through borrowing and so the authority's debt repayments are made at the minimum level of 4% required by legislation.

INTEREST PAYABLE AND RECEIVABLE

The Authority borrows from two main sources:

- The Public Works Loans Board to finance capital expenditure, normally long-term at fixed rate.
- The County Council at variable rates based on local authority seven day notice rates. This can be used to meet short-term cash requirements, or to finance capital expenditure when circumstances are appropriate.

The authority invests any surplus funds on a daily basis with the County Council earning interest based on the local authority seven-day notice rate.

NON DISTRIBUTED COSTS

Overheads for which no direct user now benefits and which are therefore not apportioned to services.

PENSIONS ACCOUNT

From 1st April 2006 new financial arrangements have applied to firefighters' pensions.

Employer contributions, employee contributions and ill health charges are paid into this separate pensions account. The pensions account is charged with the cost of pension payments and the overall deficit is currently met by a 100% funded specific Department of Communities and Local Government (DCLG) grant.

734	Number of pensioners	734	745	755
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The 2011/12 budget is at November 2010 prices.

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual 2009/10 £'000		Original 2010/11 £'000	Revised 2010/11 £'000	Budget 2011/12 £'000
CAPITAL ADJUSTMENT ACCOUNT				
-2,572	Reversal of depreciation net of deferred government grants released, amortisation and impairment of fixed assets	-2,588	-2,588	-2,902
602	Statutory provision for debt repayment	614	613	726
-	Deferred charges written down	-	-	-
-1,970	Net expenditure inc in Income and Expenditure Account	-1,974	-1,975	-2,176
INTEREST PAYABLE AND RECEIVABLE				
9	Interest payable on bank balance	60	60	60
-	Interest receivable on bank balance	-	-	(20)
329	Interest on external loans	445	532	581
15	Finance lease interest payable	10	11	11
(9)	Finance lease interest receivable	-	-	-
NON DISTRIBUTED COSTS				
20	Non-distributed costs	-	-	-
PENSIONS ACCOUNT				
10,399	Pension Paid	11,205	11,032	11,433
4,560	Lump sums paid	3,155	2,003	3,169
882	Outwards Transfers	379	225	360
15,841		14,739	13,260	14,962
Less income :				
2,397	Employee Contributions - 1992 scheme	2,407	2,336	2,285
443	Employee Contributions - 2006 scheme	482	483	498
4,627	Employer Contributions - 1992 scheme	4,650	4,509	4,411
573	Employer Contributions - 2006 scheme	624	625	645
18	Ill health charges	241	92	246
421	Inward Transfers	442	221	227
8,479		8,846	8,266	8,312
7,362	Deficit funded by DCLG grant	5,893	4,994	6,650

Section C - Capital

Capital schemes to the value of £2,795,000 are to start in 2011/12.

The Authority will be using a combination of borrowing, revenue and capital contributions, grant and capital payments reserve and finance lease to finance its capital programme as set out in the table below:

	10/11 £000	11/12 £000	12/13 £000	13/14 £000	14/15 £000	15/16 £000
Payments: existing commitments	7,054	1,315				
Payments: Proposed programme 2011/12	7,054	2,795	835			
		4,110	835			
Payments - Indicative programme 2012/13 - 2014/15			3,902	9,241	3,957	1,044
Total payments	7,054	4,110	4,737	9,241	3,957	1,044
Financed by:						
Supported borrowing	2,419					
Unsupported borrowing	1,487					
Revenue contributions	786	530	707	730	730	
Capital contributions	11					
Capital grant - allocation for 10/11	1,286					
Capital grant - Actual allocation 11/12*		2,083	2,083	2,083	2,083	1,044
Capital payments reserve	926	1,072	327	775		
Capital receipts	139	425	1,620	4,385		
FUNDING GAP				1,268	1,144	
Total financing	7,054	4,110	4,737	9,241	3,957	1,044

* not all required in 2015/16 for these starts

Proposed Capital Programme 2011/12 - 2014/15

Project Details	Total Value	11/12	12/13	13/14	14/15	15/16
		£000	£000	£000	£000	£000
Budget for approval:-						
2011/12 Starts						
Vehicles: 7 pumping appliances } 1 car and 2 GP vans } 1 off road vehicle } Aerial Ladder Platform } 2 small fires vehicles } Operational Support Unit } Fire Investigation Unit } Refurb schools fire engine }	3,180	2,345	835			
Major building repairs }	450	450				
Total budget for approval	3,630	2,795	835	0	0	0
Capital plan for 2012/13 - 2014/15 :-						
2012/13 Starts						
Vehicles: 8 pumping appliances } 7 Support vehicles } Aerial Ladder Platform } Special Equipment Unit } 3 Off road vehicles } 1 Water Carrier }	3,603		2,452	1,151		
Major building repairs }	450		450			
Basingstoke Fire Station }	6,000		1,000	4,500	500	
2013/14 Starts						
Vehicles: 8 pumping appliances } 3 Off road vehicles } 2 Multi role vehicles } 2 Water Foam Carriers } 2 Special Equipment Units } 10 cars and small vans } 1 pick up vehicle }	3,936			3,140	796	
Major building repairs }	450			450		
2014/15 Starts						
Vehicles: 7 pumping appliances } 1 Off road vehicle } 1 Multi role vehicle } 2 Water Foam Carriers } 1 SEUs } 1 mobile workshop } 14 Cars and small vans } 4 PCV } 3 GP vans }	3,255				2,211	1,044
Major building repairs }	450				450	
Subtotal plan 2012/13 - 2014/15	18,144	0	3,902	9,241	3,957	1,044
Total 2011/12 - 2014/15	21,774	2,795	4,737	9,241	3,957	1,044