

# **Hampshire Fire and Rescue Authority**

## **Revenue Budget 2003/04**

## **Capital Programme 2003/04 – 2005/06**

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**Chief Fire Officer**

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## **Part A – Introduction**

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- 1 This is the seventh budget of the Hampshire Fire and Rescue Authority which was Formed in April 1997. The Authority is made up of 25 Councillors from the three constituent authorities.

19 from Hampshire County Council  
3 from Portsmouth City Council  
3 from Southampton City Council

- 2 The present membership, together with their political affiliations is set out below:

### **Hampshire County Council Members**

Councillors:	Mrs A E Bailey	LD
	Mrs E S M Barron	LD
	R Baulk	Con
	MF Cartwright	Con (Chairman)
	K Chapman	Con
	J E Coles	LD
	Mrs D Harrison	Con
	P A Heath	Con (Vice-Chairman)
	Mrs P G E Holden-Brown	LD
	P R C Hutcheson	Con
	D A Kirk	Con
	P Luffman	Lab
	R McIntosh	Con
	Mrs A M McNair-Scott	Con
	R M Price	LD
	K P J Searle	Lab
	Mrs M D Snaith	Con
	J Stocks	Con
	M J Woodhall	Con

### **Portsmouth City Council Members**

Councillors:	A Bentley	LD
	D Horne	Lab
	G Semmens	Con (Vice Chairman)

### **Southampton City Council Members**

Councillors:	M Gausden	LD
	P Russell	Lab
	R Smith	Con

## Part B – Revenue Budget 2003/04

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### 1 Summary

The budget for the Authority for 2003/04 has been set at £51,311,000, an increase of 5.0% over 2002/03. Constituent authorities have been given notice that levies may be increased during the year for:

- (a) the amount of any underspend achieved by the Authority in 2002/03 (ie a neutral overall effect on constituent authorities); and
- (b) the amount by which any eventual cost of implementing the firefighters pay awards for November 2002 and November 2003 exceeds the budgeted assumption of 4% + 4% insofar as that loss is not covered by transitional funding or savings realisable in 2003/04.

### 2 Levies

The levies on the three constituent authorities are:

	<b>Tax Base</b>	<b>%</b>	<b>£'000</b>
Hampshire County Council	480,426	79.71	40,900
Portsmouth City Council	58,153	9.65	4,951
Southampton City Council	64,140	10.64	5,460
	<u>602,719</u>	<u>100.00</u>	<u>51,311</u>

### 3 Basis of Preparation

The base budget has been prepared in the same way as last year and includes:

- The current year's original budget increased to the November 2002 price base
- The cost of salary increments net of turnover savings
- All known and projected pension costs less an allowance for deferrals in retirement amongst those eligible to retire
- An estimate of the costs of inflation from November 2002 to March 2004 (further details are given in paragraph 5 overleaf)
- The cost of vehicles to be leased by 31 March 2004
- The full year equivalent of previously agreed growth

#### 4 **Makeup of the Budget**

	<b>£'000</b>	<b>£'000</b>
Original Budget		48,867
Add full year costs of inflation to November 2002 prices – pay and prices		771
		<hr/> 49,638
Add growth items allowed in the base budget:		
Net cost of increments		20
Operational leasing		116
Asset management costs		58
Full year effect of previous years' growth		426
Provision for inflation (pay and prices) from November 2003 to outturn 2003/04		1,199
		<hr/> 51,457
Pensions		
Full year cost of inflation to November 2002 prices	141	
Reduction in lump sums	-694	
Increase in ordinary and ill-health pension payments	96	
Other	40	
Provision for inflation November 2002 to outturn 2003/04	120	-297
		<hr/> 51,160
Base Budget 2003/04		51,160
Revenue costs of capital programme		16
Cost of Copnor repairs		135
		<hr/> 51,311
<b>Budget 2003/04</b>		<b><u>51,311</u></b>

#### 5 **Inflation Provision**

The provision for inflation from November 2002 to March 2004 has been calculated based on 4% for firefighters, 3.5% for non-uniformed staff, 1.7% for pension payments and 2.5% for all other costs. Inflation for business rates has been calculated taking into account transitional relief on certain properties and adds an overall 10.6% to this budget head.

The additional 1% employers national insurance has been included together with the increase in local government employers pension contributions from 205% to 215% of employees' contributions.

## **6 Pensions**

There is an overall decrease in the budgeted cost of pensions. This is because there is a significant reduction in the projected level of lump sum payments that more than offsets inflation.

The pensions budget is ring-fenced, and should actual costs vary from this anticipated figure, it will be possible to deal with this as a year-end adjustment to the constituent authority contributions.

## **7 Retained Pay – number of incidents**

The retained pay budget remains set at 23,253 incidents.

If the number of incidents in the year is more than 5% higher and the retained pay budget and the budget overall overspends, then the constituent authorities will through an agreed formula, be expected to cover the increased costs. The reverse situation could occur if the number of incidents is 5% below that budgeted for.

## **8 Revenue costs of capital programme**

The budget has been increased to include the revenue costs of the capital programme (mainly the leasing costs for new vehicles).

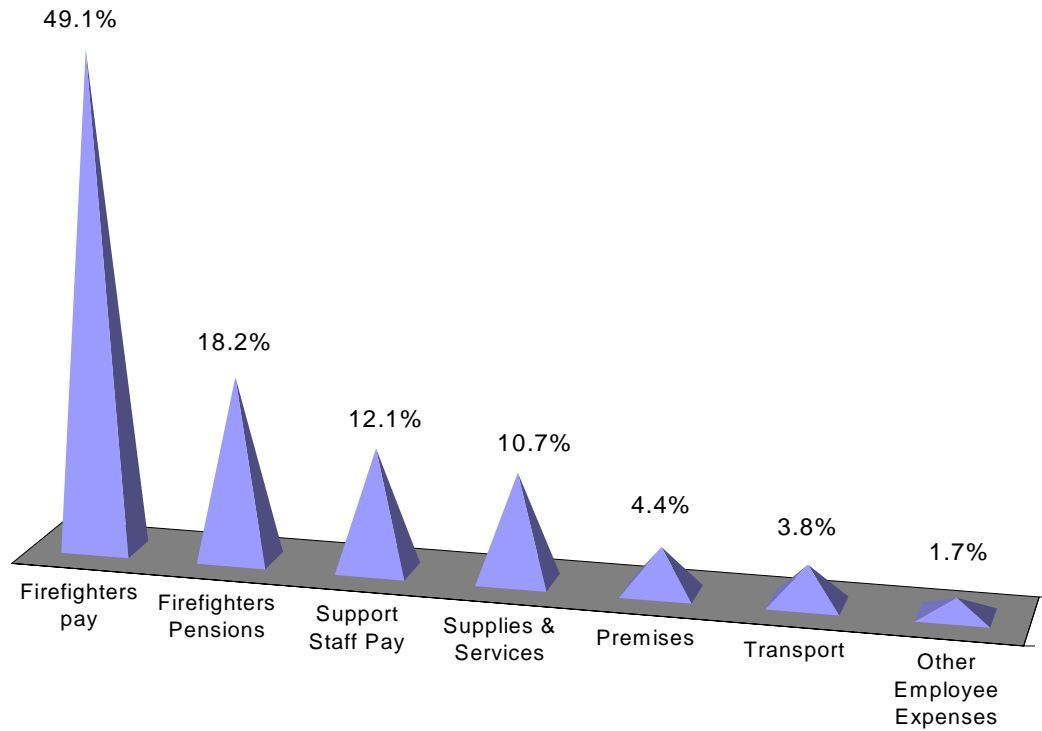
## **9 Cost of repairs to Copnor Fire Station**

The repairs to Copnor Fire Station have been completed at a cost of £135,000. The constituent authorities preferred to pay for this in 2003/04 rather than 2002/03. This contribution will be used during the year to address identified budget pressures.

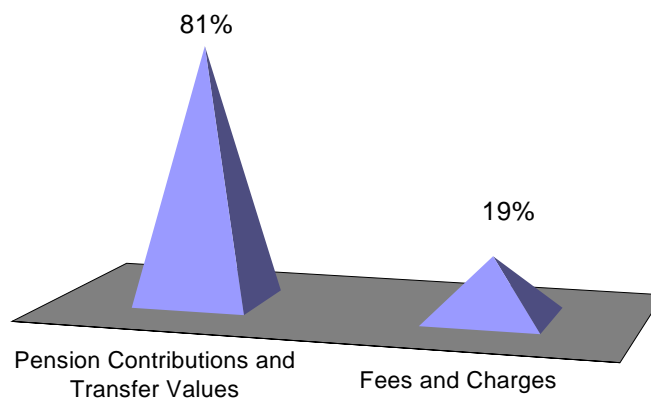
## Overview

This section provides an overview of the 2003/04 budget which is set out in more detail in the following pages

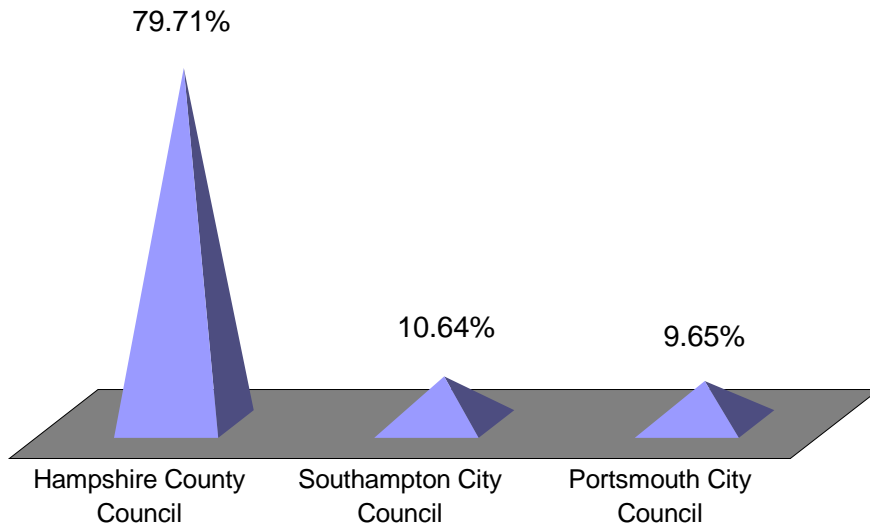
### Expenditure £54.629 million



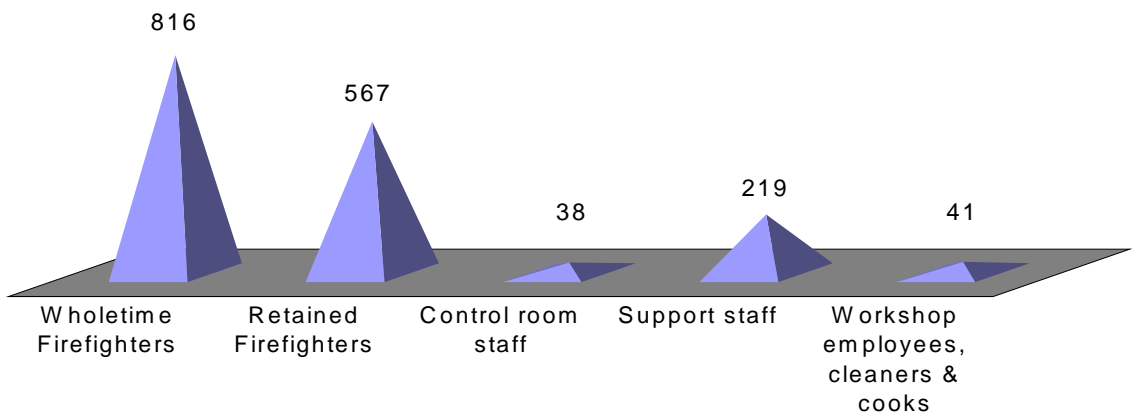
### Income £3.318 million



## Levies £51.311 million



## Staff Numbers



## **Part C - Capital**

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Capital schemes to the value of £1,735,000 are to start in 2003/04. The programme for the next three years is being reviewed by the Authority's Asset Management Working Group and any recommended changes will be considered and approved at a full meeting of the Authority.

### **1. Vehicles**

The planned programme includes seven driver appliances, a water carrier, two driver training vehicles, six estate cars, a people carrier and a general purpose van.

### **2. Breathing apparatus kit**

Due to age and migration to new technology the replacement of all breathing apparatus kits is required. This will provide greater safety for firefighters at operational incidents.

Actual 2001/02		Original 2002/03	Revised 2002/03	Budget 2003/04
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The budget for the Authority for 2003/04 is £51,311,000 which is £2,444,000 (5.0 %) more than the original budget for 2002/03.

### Staffing Statistics

	Firefighters			
774	Whole-time	799	807	<b>816</b>
567	Retained	558	567	<b>567</b>
	Other staff			
36	Control room staff	36	38	<b>38</b>
209	Administration staff	214	215	<b>219</b>
38	Workshop employees, cleaners and cooks	42	41	<b>41</b>
<hr/>		<hr/>	<hr/>	
1,624	Total staff	1,649	1,668	<b>1,681</b>

**HAMPSHIRE FIRE & RESCUE AUTHORITY**
**REVENUE BUDGET**

Actual 2001/02 £'000		Original 2002/03 £'000	Revised 2002/03 £'000	Budget 2003/04 £'000
<b>SUMMARY REVENUE ACCOUNT</b>				
Employees				
19,983	- Wholetime firefighters	20,700	21,104	22,579
3,740	- Retained firefighters	3,964	3,974	4,234
5,407	- Other staff	6,341	5,977	6,574
1,010	- Other employees expenses including training	1,099	1,181	953
6,957	- Pension (net costs)	7,525	7,525	7,230
37,097		39,629	39,761	41,570
1,998	Premises	2,437	2,423	2,428
1,680	Transport	1,912	1,846	2,099
4,710	Supplies & services	4,789	4,679	5,040
349	Contracted support services	382	382	336
4,700	Capital charges	4,724	4,795	3,400
50,534	Gross expenditure	53,873	53,886	54,873
1,124	Less income	682	926	630
49,410	<b>NET COST OF SERVICES</b>	53,191	52,960	54,243
4,162	Less transfer from asset management accounts	4,324	4,380	2,932
45,248	<b>SUM TO BE LEVIED ON CONSTITUENT AUTHORITIES</b>	48,867	48,580	51,311
<b>LEVIES</b>				
4,376	- Portsmouth City Council (9.6484%)	4,726	4,698	4,951
4,790	- Southampton City Council (10.6418%)	5,174	5,143	5,460
36,082	- Hampshire County Council (79.7098%)	38,968	38,739	40,900
45,248		48,867	48,580	51,311

Actual 2001/02		Original 2002/03	Revised 2002/03	Budget 2003/04
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### STATUTORY INSPECTION & CERTIFICATION

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

15,530	Inspections by Fire Safety personnel	16,000	21,000	<b>21,000</b>
1,243	Inspections by operational personnel	2,000	470	<b>470</b>
<u>16,773</u>	Total inspections carried out	<u>18,000</u>	<u>21,470</u>	<b>21,470</b>

### PREVENTION & EDUCATION

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.

119	School Fire Safety unit visits	130	130	<b>130</b>
220	Fire awareness engine visits	210	210	<b>210</b>

### FIREFIGHTING AND RESCUE OPERATIONS

#### Operational Responses

The Authority saves lives and protects property throughout the geographic county of Hampshire. It responded to 26,087 incidents in 2001/02 (23,392 in 200/01).

52	Number of stations	52	52	<b>52</b>
233	Number of vehicles	223	233	<b>233</b>

#### 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**

<b>Actual</b>		<b>Original</b>	<b>Revised</b>	<b>Budget</b>
<b>2001/02</b>		<b>2002/03</b>	<b>2002/03</b>	<b>2003/04</b>
<b>£'000</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>STATUTORY INSPECTION &amp; CERTIFICATION</b>				
2,257	Employees	2,395	2,425	<b>2,563</b>
74	Transport	162	162	<b>160</b>
60	Supplies and services	42	87	<b>53</b>
285	Central support services	318	326	<b>364</b>
<u>2,676</u>		<u>2,917</u>	<u>3,000</u>	<u><b>3,140</b></u>
24	Less Income - fees and charges	22	66	<b>22</b>
<u>2,652</u>	<b>Net Expenditure included in summary revenue account</b>	<u>2,895</u>	<u>2,934</u>	<u><b>3,118</b></u>
<b>PREVENTION &amp; EDUCATION</b>				
822	Employees	881	971	<b>1,057</b>
11	Premises	13	26	<b>27</b>
41	Transport	37	38	<b>38</b>
133	Supplies and services	185	159	<b>176</b>
78	Central support services	100	110	<b>128</b>
<u>1,085</u>		<u>1,216</u>	<u>1,304</u>	<u><b>1,426</b></u>
434	Less Income - fees and charges	361	356	<b>369</b>
<u>651</u>	<b>Net Expenditure included in summary revenue account</b>	<u>855</u>	<u>948</u>	<u><b>1,057</b></u>
<b>FIREFIGHTING AND RESCUE OPERATIONS</b>				
<b>Operational Responses</b>				
21,499	Employees	23,015	22,447	<b>23,806</b>
1,690	Premises	2,232	2,198	<b>2,258</b>
1,025	Transport	1,138	1,083	<b>1,324</b>
1,260	Supplies and services	1,657	1,611	<b>1,551</b>
4,439	Capital charges	4,464	4,622	<b>3,276</b>
7,209	Central support services	7,861	7,927	<b>8,423</b>
<u>37,122</u>		<u>40,367</u>	<u>39,888</u>	<u><b>40,638</b></u>
255	Less Income - fees and charges	204	343	<b>141</b>
1	Less recharged unapportionable overheads	3	3	<b>3</b>
<u>36,866</u>	<b>Net Expenditure included in summary revenue account</b>	<u>40,160</u>	<u>39,542</u>	<u><b>40,494</b></u>
<b>Communications and Mobilising</b>				
937	Employees	1,015	1,015	<b>1,137</b>
578	Supplies and services	-	283	<b>392</b>
204	Central support services	152	181	<b>200</b>
<u>1,719</u>		<u>1,167</u>	<u>1,479</u>	<u><b>1,729</b></u>
-	Less Income - fees and charges	-	-	<b>12</b>
<u>1,719</u>	<b>Net Expenditure included in summary revenue account</b>	<u>1,167</u>	<u>1,479</u>	<u><b>1,717</b></u>

Actual 2001/02	Original 2002/03	Revised 2002/03	Budget 2003/04
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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. The Best Value Review of Hydrant Maintenance has resulted in considerable streamlining of the Authority's policy for the frequency and scope of testing hydrants.

### FIREFIGHTERS' PENSIONS

The firefighters' pension scheme is unfunded and costs are met directly from the revenue budget in the year payments occur. Serving wholetime firefighters contribute 11% of pensionable pay to the scheme and the deficit is met from the budget.

688	Number of pensioners	715	724	<b>747</b>
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### MANAGEMENT AND SUPPORT SERVICES

#### Transport Management and Maintenance

All vehicles owned or leased by the Authority are repaired and maintained at the vehicle workshop in Winnall, Winchester. A 24 hour emergency callout service is also provided.

242	Number of vehicles serviced	223	242	<b>242</b>
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#### Training Delivery

The Training Centre provides initial and continuation training for all personnel. The practical facilities are also used for the running of commercial and industrial fire safety courses, for which charges are made.

190	Commercial/industrial organisations receiving fire safety training	190	190	<b>190</b>
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**HAMPSHIRE FIRE & RESCUE AUTHORITY**
**REVENUE BUDGET**

Actual 2001/02 £'000		Original 2002/03 £'000	Revised 2002/03 £'000	Budget 2003/04 £'000
	<b>Securing Water Supplies</b>			
143	Supplies and services	182	102	187
15	Central support services	20	12	22
<u>158</u>	<b>Net Expenditure included in summary revenue account</b>	<u>202</u>	<u>114</u>	<u>209</u>
	<b>FIREFIGHTERS' PENSIONS</b>			
6,131	Pension payments	6,967	6,761	7,303
3,170	Commutations	2,843	3,036	2,299
110	Transfer values paid	305	304	316
<u>9,411</u>		<u>10,115</u>	<u>10,101</u>	<u>9,918</u>
1,989	Less - contributions	2,082	2,072	2,162
465	- transfer values received	508	504	526
<u>6,957</u>	<b>Net Expenditure included in summary revenue account</b>	<u>7,525</u>	<u>7,525</u>	<u>7,230</u>
	<b>MANAGEMENT AND SUPPORT SERVICES</b>			
	<b>Transport Management and Maintenance</b>			
857	Employees	843	914	940
78	Premises	63	114	60
439	Transport	462	470	464
32	Supplies and services	19	31	29
92	Capital charges	92	61	46
<u>1,498</u>		<u>1,479</u>	<u>1,590</u>	<u>1,539</u>
128	Less Income - fees and charges	54	111	66
<u>-1,370</u>	Costs allocated to services	<u>-1,425</u>	<u>-1,479</u>	<u>-1,473</u>
<u>-</u>	<b>Net Expenditure</b>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Training Delivery</b>			
1,185	Employees	1,163	1,474	1,454
102	Premises	95	29	35
64	Transport	66	67	64
143	Supplies and services	174	113	120
<u>1,494</u>		<u>1,498</u>	<u>1,683</u>	<u>1,673</u>
237	Less Income - fees and charges	-	3	2
<u>-1,257</u>	Costs allocated to services	<u>-1,498</u>	<u>-1,680</u>	<u>-1,671</u>
<u>-</u>	<b>Net Expenditure</b>	<u>-</u>	<u>-</u>	<u>-</u>

Actual	Original	Revised	Budget
2001/02	2002/03	2002/03	2003/04

### Personnel Services

The budget covers the cost of running the Personnel Department and Occupational Health and Safety Unit.

### Training and Development

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.

### 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

### 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 2001/02		Original 2002/03	Revised 2002/03	Budget 2003/04
£'000		£'000	£'000	£'000
<b>Personnel Services</b>				
702	Employees	753	783	828
5	Premises	6	-	-
3	Transport	3	3	3
154	Supplies and services	112	190	128
864		874	976	959
6	Less Income - fess and charges	-	-	-
-858	Costs allocated to services	-874	-976	-959
-	<b>Net Expenditure</b>	-	-	-
<b>Training and Development</b>				
462	Employees	470	290	523
10	Transport	16	1	14
7	Supplies and services	22	12	22
479		508	303	559
28	Less Income - fees and charges	37	37	13
-451	Costs allocated to services	-471	-266	-546
-	<b>Net Expenditure</b>	-	-	-
<b>Corporate Services</b>				
1,419	Employees	1,569	1,917	2,032
112	Premises	28	56	48
24	Transport	28	22	32
2,200	Supplies and services	2,396	2,091	2,382
349	Contract support services	382	382	336
169	Capital charges	168	112	78
4,273		4,571	4,580	4,908
12	Less Income - fees and charges	4	10	5
4,261		4,567	4,570	4,903
-3,855	Costs allocated to services	-4,183	-4,155	-4,488
-111	Costs allocated to democratic representation & management	-101	-115	-115
-295	Costs allocated to corporate management	-283	-300	-300
-	<b>Net Expenditure</b>	-	-	-
<b>Corporate and Democratic Core</b>				
1	Unapportionable overheads	3	3	3
111	Democratic representation & management	101	115	115
295	Corporate management	283	300	300
407	<b>Net Expenditure included in summary revenue account</b>	387	418	418

Actual 2001/02	Original 2002/03	Revised 2002/03	Budget 2003/04
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### Asset Management Accounts

The Asset Management accounts are the central accounts which operate in conjunction with the Authority's capital accounting arrangements. The main features of the arrangements are:

- valuation of capital assets such as buildings on a current replacement cost basis
- internal asset charges to service revenue accounts (capital charges) for capital assets comprising:
  - \* an interest charge to reflect the cost of capital employed. This is to be reduced from 6% to 3.5% from April 2003.
  - \* a depreciation charge for assets with a finite life (eg vehicles)
- internal charges are also made to the Service's operational revenue accounts to reflect the writing-off of deferred charges. These charges arise when expenditure is incurred, which can be properly capitalised, such as the Authority's set-up costs, but where no addition to the value of the Authority's fixed assets results.

### Asset Management Revenue Account

The revenue account is charged with the capital charges made to the Service's revenue account. The element of the capital charges relating to depreciation and deferred charges is transferred from this account to the Provision for Debt Repayment Account. This account is also charged with interest payable on loans and receivable on the Authority's bank balance.

The excess of capital charges over financing costs, is transferred to the revenue account in order to neutralise the effect on the budget requirement.

### Provision for Debt Repayment

The provision for Debt Repayment Account is charged with the principal repayments relating to loans and receives the deferred charges and charges for depreciation contained within the Service revenue account. Debt repayments are made at the minimum level of 4% required by legislation.

The excess of depreciation and deferred charges over debt repayment is credited to the summary revenue account.

**HAMPSHIRE FIRE & RESCUE AUTHORITY**
**REVENUE BUDGET**

Actual 2001/02 £'000		Original 2002/03 £'000	Revised 2002/03 £'000	Budget 2003/04 £'000
<b>ASSET MANAGEMENT ACCOUNTS</b>				
538	Total Expenditure	400	415	468
-4,700	Reversal of Capital Charges	-4,724	-4,795	-3,400
-	Total Income	-	-	-
-4,162		-4,324	-4,380	-2,932
<b>ASSET MANAGEMENT REVENUE ACCOUNT</b>				
<b>Expenditure</b>				
181	Interest on loans	239	268	301
270	Revenue contribution to capital expenditure	-	-	-
451		239	268	301
<b>Reversal of Capital Charges</b>				
-4,700	Capital charges	-4,724	-4,795	-3,399
1,379	less depreciation and deferred charges	1,332	1,335	1,369
-3,321		-3,392	-3,460	-2,030
<b>Income</b>				
-	Exceptional item	-	-	-
-	Interest on bank balance	-	-	-
-		-	-	-
-2,870	<b>Excess of Capital Charges Over Financing Costs</b>	-3,153	-3,192	-1,729
<b>PROVISION FOR DEBT REPAYMENT</b>				
<b>Expenditure</b>				
87	Loan repayment	161	147	167
<b>Reversal of Capital Charges</b>				
-1,379	Depreciation and deferred charges	-1,332	-1,335	-1,370
-1,292	<b>Excess of Depreciation and Deferred Charges Over Debt Repayment</b>	-1,171	-1,188	-1,203