

Hampshire Fire and Rescue Authority

Revenue Budget 2007/08

Capital Programme 2007/08 – 2009/10

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Introduction

- 1 This document sets out the details of the Hampshire Fire and Rescue Authority's Revenue Budget for 2007/08 and Capital Programme for the 3 year period 2007/08 – 2009/10.
- 2 25 Councillors make up the Authority:
 - 19 from Hampshire County Council
 - 3 from Portsmouth City Council
 - 3 from Southampton City Council

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

Hampshire County Council Members

Councillors:	R Baulk	Con
	I Beagley	Con
	MF Cartwright	Con (Chairman)
	K Chapman	Con
	M Cooper	LD
	L Dunsdon	LD
	Mrs J Framkum	L
	E F Gale MBE	Con
	Mrs D Harrison	LD
	P A Heath	Con (Vice-Chairman)
	K House	LD
	P R C Hutcheson	Con
	R Kimber	Con
	D A Kirk	Con
	R McIntosh	Con
	Sam Payne	LD
	R H Price	LD
	D Simpson	LD
	M J Woodhall	Con

Portsmouth City Council Members

Councillors:	L Hunt	Con
	D Horne	Lab
	H Jones	LD

Southampton City Council Members

Councillors:	P Galton	LD
	R Williams	Lab
	R Smith	Con (Vice-Chairman)

Section A

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Summary of Revenue Budget 2007/08

1 Summary

The budget for the Authority for 2007/08 has been set at £62,450,000.

2 Basis of Preparation

The budget was constructed by preparing a base budget position which includes:

- the current year's original budget increased to the November 2006 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 2006 to March 2008

To this budget was added new expenditure totalling £965,000, details of which are set out over the following pages. In addition, £393,000 of the transitional grant will be repaid.

This budget was compiled against the background of the approved Financial Management Strategy which is set out on pages 9 - 11.

3 Makeup of the Budget

	£'000
Original budget 2006/07	59,560
Add full year costs of inflation to November 2006	-30
Add growth items allowed in the base budget:	
Net cost of increments	23
Asset Management Costs	437
Full year effect of previous years' growth	48
Provision for inflation from November 2006 to outturn 2007/08	1,389
Retained incidents	16
HFRA firefighter pension costs	133
Net reduction in leasing costs	-91
Base budget 2007/08	61,485
New expenditure:	
Equal Pay	300
Day Crewing	240
Home Fire Safety Visits	140
Revenue costs of Capital Programme	20
Savings to be identified in 2006/07 or 2007/08	-200
Reinstatement of general balance	354
Contribution to capital payments reserve	111
Budget requirement 2007/08	62,450

4 Inflation to November 2006

The original budget has been reduced by the actual costs of inflation to November 2006. Total inflation is a reduction of £30,000 for pay and prices mainly as a result of the 2006 pay award for firefighters being lower than that provided for in the 2006/07 budget.

5 Increments

These are the gross costs of increments less turnover savings. The net costs for firefighters is nil and £23,000 for support staff.

6 Changes in the Asset Management Cost

This mainly reflects the increase in the levels of revenue contributions to capital, interest costs and amount required to be set aside to repay debt.

7 Full year effect of previous years' growth

These increase the budget by a net £48,000. The main effects are £150,000 for regionalisation costs, full year effect of retained station admin support (£56,000) offset by the £184,000 increase in the general balance for 2006/07.

8 Retained Pay – number of incidents

The retained pay budget is set at 24,898 incidents. This is calculated using the agreed formula which takes the average of the last five years excluding the highest and lowest years to avoid any distortion of exceptional years.

9 Provision for inflation from November 2006 to outturn 2007/08

The provision for inflation from November 2006 to March 2008 has been calculated based on 2.3% for firefighters and support staff, 3.6% for pension payments that the Authority is still liable for and 2.5% for all other costs. An increase in local government employers pension contributions from 275% to 295% of employees' contributions has also been assumed.

10 Change in financing firefighters' pensions

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

The pension costs for which the Authority is liable for are estimated to increase by £133,000 in 2007/08. This is mainly due to the ill-health payments which the Authority has to pay into the pension account which are payable in three annual instalments. The financial year 2007/08 will bear the cost of 1/3 of any such retirements in both 2006/07 and 2007/08. A similar increase is projected for 2008/09 when the costs should level out as they will reflect three "1/3rds".

11 Reduction in leasing costs

This is the reduction in costs in the year of the operational leasing charges falling out as leases expire offset by the additional revenue costs of finance leases taken out.

12 New expenditure

New expenditure totals £965,000. This is made up of £300,000 for equal pay, £354,000 replenishment of general reserve in respect of pensions expenditure, £20,000 revenue costs of new capital programme, £240,000 day crewing transitional costs, £140,000 for Home Fire Safety Visits and £111,000 contribution to capital payments reserve.

Paying for the Service

Actual 2005/06 £000		Original 2006/07 £000	Budget 2007/08 £000
Budget requirement			
9,240	Revenue Support Grant	4,338	3,966
19,147	Non-Domestic Rates	22,472	23,629
0	Net surplus on collection fund	1	288
31,694	Precept – met by council taxpayers	32,749	34,567
606,873.37	Taxbase Band D equivalent dwellings	610,524.76	616,488.97
£52.11	Council tax per Band D dwelling	£53.64	£56.07
1.6%	Increase over previous year	2.9%	4.5%
Council taxes for each band			
34.74	Band A up to £40,000	35.76	37.38
40.53	Band B £40,001 - £52,000	41.72	43.61
46.32	Band C £52,001 - £68,000	47.68	49.84
52.11	Band D £68,001 - £88,000	53.64	56.07
63.69	Band E £88,001 - £120,000	65.56	68.53
75.27	Band F £120,001 - £160,000	77.48	80.99
86.85	Band G £160,001 - £320,000	89.40	93.45
104.22	Band H above £320,000	107.28	112.14

Analysis of reserves

Actual 2005/06 £000		Original 2006/07 £000	Revised 2006/07 £000	Budget 2007/08 £000
1400	Unearmarked balance at 1 April	1,816	1,816	1,646
4,301	Earmarked reserves at 1 April	2,873	3,382	931
<u>31,694</u>	Estimated precept income	<u>32,749</u>	<u>32,749</u>	<u>34,855</u>
37,395		37,438	37,947	37,432
32,197	Expenditure to be met from precept, reserves and balances	33,474	35,370	35,043
5,198	Total reserves as at 31 March	3,964	2,577	2,389
3,382	Less earmarked reserves as at 31 March	1,964	931	389
1,816	Unearmarked balance at 31 March	2,000	1,646	2,000

Financial Management Strategy

Overall purpose : Provide the necessary financial resources to enable the Service to make Hampshire safer, 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 Service's Corporate Plan and Integrated Risk Management 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.
- Divert 2% of current resources to prevention and protection activities by 2008.
- Set a prudent minimum level of reserves based on a strategic-level risk assessment and reassessed annually as part of the budget process.
- Minimise fluctuations in spending levels and council tax by absorbing the impact of different levels of pension outturn costs.
- Operate within firm cash limits, allocating provision for pay and other 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 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.

Capital programming

- Review capital strategy on an annual basis and prepare a three-year programme in the light of needs identified in the Integrated Risk Management 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 IRMP.
- Make full use of Government-supported borrowing.
- Make use of unsupported borrowing within the framework of the Prudential Code where there is a sound business case approved by the Authority.

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 ICT systems with enhanced provision of financial management information to users.
- Comply with the 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.
- Seek continuous improvement through "customer focus" in the delivering of financial services and support.
- Improve and extend the use of ICT 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 Fire and Rescue Service irrespective of any contracted-out arrangements for financial administration.

Outline Budget 2007/08 - 2009/11

Prepared at November 2006 prices with a total provision for inflation from November 2006 to outturn 2007/08. Similar inflation assumptions have been made in the following two years.

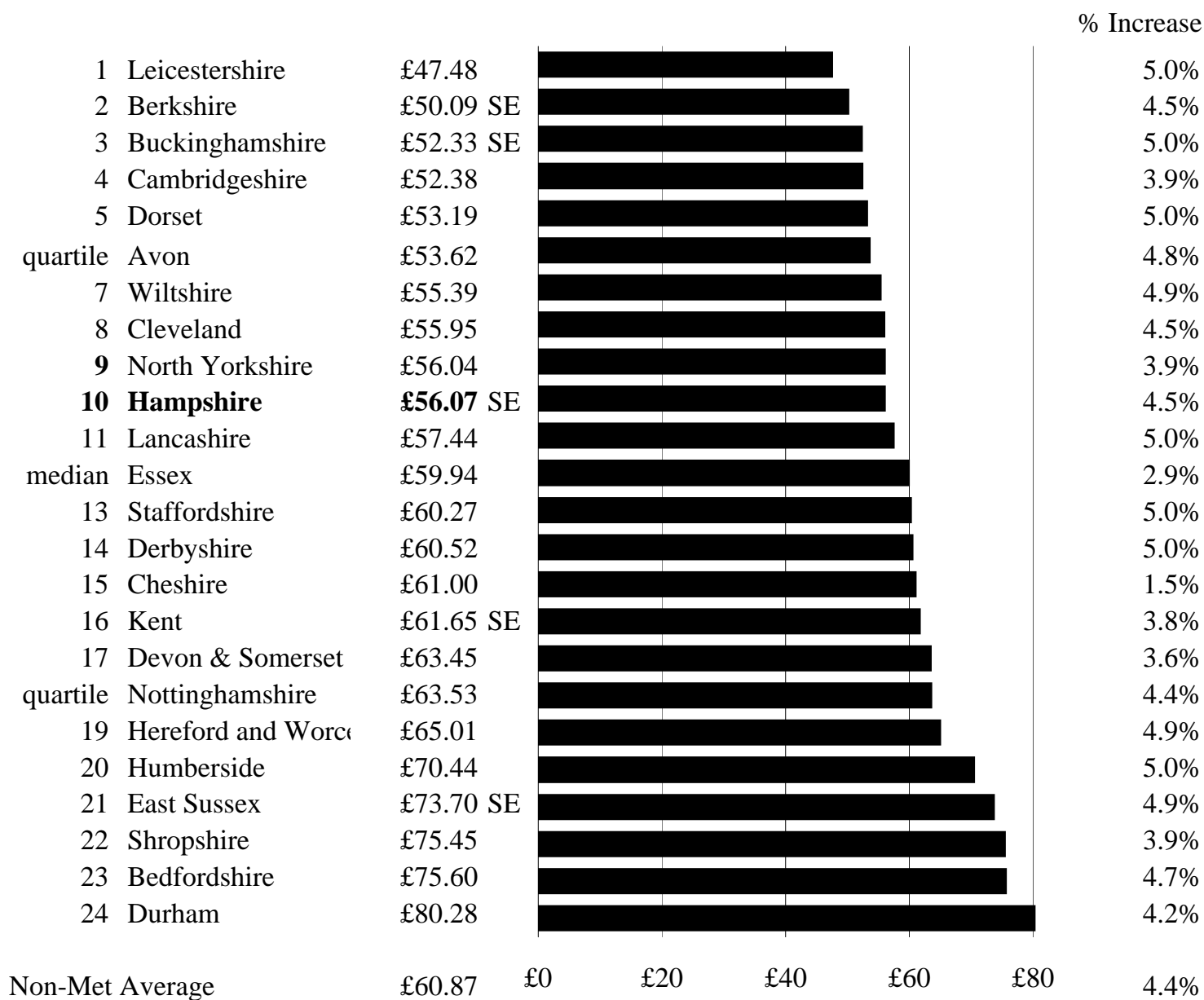
	2007/08	2008/09	2009/10
	£'000	£'000	£'000
EMPLOYEES			
Wholetime firefighters	32,429	32,613	32,822
Retained firefighters	5,801	5,833	5,865
Other staff	9,165	8,950	8,950
Other employees expenses	1,030	1,030	1,030
Net cost of pensions	604	716	716
Total Employees	49,029	49,142	49,383
PREMISES			
Building maintenance	1,218	1,218	1,218
Cleaning and refuse collection	243	243	243
Utilities, rents, rates etc	1,465	1,400	1,400
Total Premises	2,926	2,861	2,861
TRANSPORT			
Leasing	957	971	984
Other transport	1,269	1,269	1,269
Total Transport	2,226	2,240	2,253
SUPPLIES AND SERVICES			
Operational equipment	976	836	836
IT and communications	2,727	2,727	2,727
Insurance	719	719	719
Other supplies	2,367	2,367	2,367
Total Supplies and Services	6,789	6,649	6,649
Contracted support services	437	437	437
Capital charges	3,400	3,400	3,400
Revenue Contributions to Capital-budgeted	760	742	985
Revenue Contributions to Capital financed from reserves	0	0	0
Savings to be identified			
Provision for inflation	1,388	3,040	4,769
GROSS EXPENDITURE	66,955	68,511	70,737
LESS INCOME			
Transitional Grant	(1,718)	(1,771)	(1,718)
	(394)	0	0
NET COST OF SERVICE	64,843	66,740	69,019
Interest on bank balance	(180)	(180)	(180)
Contribution to/(from) Capital Payment Reserve	111	0	0
Contribution to/(from) General Balance	354	0	0
Contribution to/(from) Modernisation Reserve	0	0	0
Contribution to/(from) Savings brought forward	(200)		
Asset Management Accounts	(2,478)	(2,223)	(2,239)
BUDGET REQUIREMENT	62,450	64,337	66,600
Indicative increase in Council Tax	4.5%	4.6%	4.5%

PRUDENTIAL INDICATORS SUMMARY

Indicator	Basis	Period	Unit	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Affordability									
1	Estimate	Years 1, 2 and 3	%		0.66%	1.19%	1.81%	2.22%	
2	Actual	Year end	%	0.43%					
3	Estimate	Years 1, 2 and 3 (and longer as necessary)	£ per Band D Equivalent			£1.26	£1.46	£2.33	£0.92
Capital Expenditure									
4	Estimate	Years 1, 2 and 3 (and longer as necessary)	£000		6,845	7,890	7,071	3,331	585
5	Actual	Year end	£000	2,814					
6	Estimate	Years 1, 2 and 3	£000		9,236	14,037	17,613	19,464	
7	Actual	Year end	£000	5,879					
External Debt									
8	Estimate	Years 1, 2 and 3	£m			19.2	23.8	26.3	
9	Estimate	Years 1, 2 and 3	£m			12.4	16.8	19.1	
10	Actual	Year end	£000	5,100					
11	Actual	Year end	£000	225					
12	Actual	Year end	£000	5,325					
Prudence									
13	Estimate	Three year period	n/a				<input checked="" type="checkbox"/>		
Treasury Management									
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		8.7	13.7	15.7	16.6	
16	Estimate	Years 1, 2 and 3	£m		7.2	5.5	8.1	9.7	
17	Estimate	All years	%			see below	see below	see below	
18	Estimate	All years	£m	nil	nil	nil	nil	nil	nil

Maturity structure of fixed rate		2007/08		2008/09		2009/10	
Period		upper limit	lower limit	upper limit	lower limit	upper limit	lower limit
17a	Under 12 months	0%	0%	0%	0%	0%	0%
17b	12 months and within 24 months	37%	0%	22%	0%	12%	0%
17c	24 months and within 5 years	37%	0%	22%	0%	12%	0%
17d	5 years and within 10 years	37%	0%	22%	0%	12%	0%
17e	10 years and above	0%	63%	0%	78%	0%	88%

Non-Met Fire Authorities' Band D Council Tax 2007/08



Section B – Detailed Revenue Budget 2007/08

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24-25	Asset Management Revenue Account, Provision for Debt Repayment and Pensions Account

Actual 2005/06		Original 2006/07	Revised 2006/07	Budget 2007/08
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The budget for the Authority for 2007/08 is £62,450,000 which is £2,890,000 (4.85%) more than the budget for 2006/07.

Staffing Statistics

	Firefighters			
808	Whole-time (FTE)	793	802	812
601	Retained (24 hour cover units)	649	623	656
	Other staff :			
40	Control room staff (FTE)	40	40	41
35	Incident support team (24 hour cover units)	48	35	48
237	Administration staff including workshop employees and cleaners (FTE)	247	250	271
<hr/>		<hr/>	<hr/>	<hr/>
1,721	Total	1,777	1,750	1,828

These statistics relate to the number of posts available in the budget rather than the number of personnel employed.

HAMPSHIRE FIRE & RESCUE AUTHORITY

REVENUE BUDGET

Actual 2005/06 £'000		Original 2006/07 £'000	Revised 2006/07 £'000	Budget 2007/08 £'000
SUMMARY REVENUE ACCOUNT				
26,077	- Wholetime firefighters	31,681	32,342	33,204
5,359	- Retained firefighters	6,120	6,075	5,929
7,910	- Other staff	8,965	8,655	9,367
953	- Other employees expenses including training	1,077	1,149	1,053
7,905	- Pension (net costs)	471	825	619
1,478	- FRS17 adjustments	6,587	4,531	4,651
49,682		54,901	53,577	54,823
2,668	Premises	2,823	2,753	3,051
2,491	Transport	2,304	2,501	2,260
6,672	Supplies & services	6,513	7,374	6,959
397	Contracted support services	407	457	437
5,255	Capital charges	3,400	3,400	3,400
1,300	Revenue Contributions to capital-budgeted	640	1,061	760
679	Revenue Contributions to capital-financed from reserves	909	1,835	-
(48)	Increase/Decrease in provisions	-	-	-
-	Savings to be identified	-	(200)	-
69,096	Gross expenditure	71,897	72,758	71,690
2,042	Less service income	1,640	3,020	1,742
-	Less Transitional Grant reserve	394	394	394
67,054	NET COST OF SERVICES	69,863	69,344	69,554
4,866	Less transfer from asset management accounts	2,991	3,026	2,658
(18,328)	Movement on Pensions reserve	(23,957)	(21,761)	(22,881)
16,850	Pensions interest cost and expected return on pensions assets	17,370	17,230	18,230
(126)	Deferred charges written down	-	-	-
260	Contribution to/(from) modernisation reserve	-	(422)	(60)
(500)	Contribution to/(from) underspendings reserve	-	200	(200)
-	Contribution to/(from) transitional grant reserve	-	-	-
(679)	Contribution to/(from) Capital Payments reserve	(909)	(1,835)	111
416	Contribution to/(from) General balance	184	(170)	354
60,081	BUDGET REQUIREMENT	#REF!	59,560	62,450

MET BY				
9,240	- Revenue Support Grant	4,338	4,338	3,966
19,147	- National Non-Domestic Rates	22,472	22,472	23,629
31,694	- Precept - met by council tax payers	#REF!	32,749	34,567
-	- Collection fund net surplus	1	1	288
60,081		#REF!	59,560	62,450

Actual 2005/06		Original 2006/07	Revised 2006/07	Budget 2007/08
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PROTECTION/(Statutory Inspection & Certification)

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

12,663	Number of inspections carried out	20,000	16,000	20,000
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PREVENTING/(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.

351	Fire awareness engine visits KS1	590	351	351
283	School Fire Safety unit visits KS2	806	283	283
215	School liaison visits KS3	965	215	215
12,381	Other activities including home fire safety checks	20,000	20,000	25,000

The practical facilities of the Training Centre are used for the running of commercial and industrial fire safety courses, for which charges are made.

276	Commercial/industrial organisations receiving training	283	280	280
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RESPONDING/(Firefighting and Rescue Operations)**Operational Responses**

The Authority saves lives and protects property throughout the geographic county of Hampshire. It responded to 23,857 incidents in 2005/06 (22,818 in 2004/05).

52	Number of stations	52	52	52
252	Number of vehicles	260	263	263
23,857	Number of incidents	24,743	24,743	24,898

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
2005/06		2006/07	2006/07	2007/08
£'000		£'000	£'000	£'000
PROTECTION/(Statutory Inspection & Certification)				
3,655	Employees	3,892	3,820	3,856
46	Premises	14	14	14
162	Transport	174	174	179
150	Supplies and services	92	225	53
	Capital charges	12	12	12
<u>522</u>	Central support services	<u>523</u>	<u>519</u>	<u>476</u>
4,535		4,707	4,764	4,590
<u>64</u>	Less Income - fees and charges	<u>47</u>	<u>50</u>	<u>48</u>
<u>4,471</u>	Net Expenditure included in summary revenue account	<u>4,660</u>	<u>4,714</u>	<u>4,542</u>
PREVENTING/(Prevention & Education)				
2,270	Employees	2,236	2,465	2,281
12	Premises	25	51	26
73	Transport	50	54	51
408	Supplies and services	289	501	441
306	Central support services	257	267	252
<u>129</u>	Capital charges	<u>-</u>	<u>-</u>	<u>-</u>
3,198		2,857	3,338	3,051
<u>431</u>	Less Income - fees and charges	<u>445</u>	<u>799</u>	<u>457</u>
<u>2,767</u>	Net Expenditure included in summary revenue account	<u>2,412</u>	<u>2,539</u>	<u>2,594</u>
RESPONDING/(Firefighting and Rescue Operations)				
Operational Responses				
34,433	Employees	39,100	36,395	37,963
2,414	Premises	2,615	2,520	2,829
1,497	Transport	1,417	1,597	1,346
1,642	Supplies and services	1,555	1,518	1,515
4,892	Capital charges	3,264	3,264	3,264
<u>11,102</u>	Central support services	<u>11,369</u>	<u>11,848</u>	<u>11,913</u>
55,980		59,320	57,142	58,830
<u>1,146</u>	Less Income - fees and charges	<u>1,016</u>	<u>1,625</u>	<u>891</u>
<u>54,834</u>	Net Expenditure included in summary revenue account	<u>58,304</u>	<u>55,517</u>	<u>57,939</u>
Communications and Mobilising				
1,387	Employees	1,600	1,624	1,671
26	Premises	8	10	8
6	Transport	-	-	-
537	Supplies and services	535	537	550
<u>255</u>	Central support services	<u>227</u>	<u>259</u>	<u>249</u>
2,211		2,370	2,430	2,478
<u>15</u>	Less Income - fees and charges	<u></u>	<u>53</u>	<u>53</u>
<u>2,196</u>	Net Expenditure included in summary revenue account	<u>2,370</u>	<u>2,377</u>	<u>2,425</u>

Actual	Original	Revised	Budget
2005/06	2006/07	2006/07	2007/08

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 vehicle workshop in Winnall Winchester. A 24 hour emergency callout service is also provided.

252	Number of vehicles serviced	260	263	263
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Training Delivery

The Training Centre provides initial and continuation training for all personnel.

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual		Original	Revised	Budget
2005/06		2006/07	2006/07	2007/08
£'000		£'000	£'000	£'000
Securing Water Supplies				
96	Supplies and services	196	201	201
13	Central support services	20	22	21
<u>109</u>	Net Expenditure included in summary revenue account	<u>216</u>	<u>223</u>	<u>222</u>
FIREFIGHTERS' PENSIONS				
8,473	Pension Payments/Injury Pension payments	329	423	395
101	Ill health charges	142	203	224
1,937	Commutations	-	-	-
693	Transfer values paid	-	493	-
<u>11,204</u>		<u>471</u>	<u>1,119</u>	<u>619</u>
2,456	Less - contributions			-
843	- transfer values received		294	-
<u>7,905</u>	Net Expenditure included in summary revenue account	<u>471</u>	<u>825</u>	<u>619</u>
MANAGEMENT AND SUPPORT SERVICES				
Transport Management and Maintenance				
980	Employees	1,116	1,016	1,162
75	Premises	70	67	79
557	Transport	514	514	526
100	Supplies and services	101	143	104
67	Capital charges	46	46	46
<u>1,779</u>		<u>1,847</u>	<u>1,786</u>	<u>1,917</u>
283	Less Income - fees and charges	104	223	106
<u>-1,496</u>	Costs allocated to services	<u>-1,743</u>	<u>-1,563</u>	<u>-1,811</u>
<u>-</u>	Net Expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Training Delivery				
2,893	Employees	2,605	2,987	2,665
38	Premises	37	37	38
82	Transport	77	77	79
176	Supplies and services	173	220	179
2	Capital Charges	-	-	-
<u>3,191</u>		<u>2,892</u>	<u>3,321</u>	<u>2,961</u>
65	Less Income - fees and charges	3	72	3
<u>-3,126</u>	Costs allocated to services	<u>-2,889</u>	<u>-3,249</u>	<u>-2,958</u>
<u>-</u>	Net Expenditure	<u>-</u>	<u>-</u>	<u>-</u>

Actual	Original	Revised	Budget
2005/06	2006/07	2006/07	2007/08

Human Resources

The budget covers the cost of running the Human Resources 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		Original	Revised	Budget
2005/06		2006/07	2006/07	2007/08
£'000		£'000	£'000	£'000
Human Resources				
1,438	Employees	1,495	1,655	1,491
1	Premises	-	-	-
42	Transport	4	9	4
183	Supplies and services	221	268	228
<u>1,664</u>		<u>1,720</u>	<u>1,932</u>	<u>1,723</u>
15	Less Income - fess and charges	-	-	-
<u>-1,649</u>	Costs allocated to services	<u>-1,720</u>	<u>-1,932</u>	<u>-1,723</u>
<u>-</u>	Net Expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Training and Development				
291	Employees	517	241	527
11	Transport	16	16	15
1	Supplies and services	23	23	24
<u>303</u>		<u>556</u>	<u>280</u>	<u>566</u>
(13)	Less Income - fees and charges	13	14	14
<u>-316</u>	Costs allocated to services	<u>-543</u>	<u>-266</u>	<u>-552</u>
<u>-</u>	Net Expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Corporate Services				
2,296	Employees	2,340	2,549	2,588
56	Premises	54	54	57
61	Transport	52	60	60
3,379	Supplies and services	3,328	3,738	3,664
397	Contract support services	407	457	437
166	Capital charges	78	78	78
<u>6,355</u>		<u>6,259</u>	<u>6,936</u>	<u>6,884</u>
36	Less Income - fees and charges	12	184	170
<u>6,319</u>		<u>6,247</u>	<u>6,752</u>	<u>6,714</u>
-5,611	Costs allocated to services	-5,501	-5,905	-5,867
-263	Costs allocated to democratic representation & management	-313	-347	-347
<u>-445</u>	Costs allocated to corporate management	<u>-433</u>	<u>-500</u>	<u>-500</u>
<u>-</u>	Net Expenditure	<u>-</u>	<u>-</u>	<u>-</u>
Corporate and Democratic Core				
263	Democratic representation & management	313	347	347
445	Corporate management	433	500	500
<u>708</u>	Net Expenditure included in summary revenue account	<u>746</u>	<u>847</u>	<u>847</u>

Actual	Original	Revised	Budget
2005/06	2006/07	2006/07	2007/08

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.
 - * 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 cost of the smoke detectors purchased for Home Fire Safety Visits, 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.

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 met by a specific DCLG grant.

751	Number of pensioners	768	768	785
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Actual		Original	Revised	Budget
2005/06		2006/07	2006/07	2007/08
£'000		£'000	£'000	£'000
ASSET MANAGEMENT ACCOUNTS				
470	Total Expenditure	567	574	922
-5,129	Reversal of Capital Charges	-3,400	-3,400	-3,400
-207	Total Income	-158	-200	-180
<u>-4,866</u>		<u>-2,991</u>	<u>-3,026</u>	<u>-2,658</u>

ASSET MANAGEMENT REVENUE ACCOUNT

Expenditure				
<u>250</u>	Interest on loans	<u>344</u>	<u>339</u>	<u>553</u>
250		344	339	553
Reversal of Capital Charges				
-5,129	Capital charges	-3,400	-3,400	-3,400
<u>1,761</u>	less depreciation and deferred charges	<u>1,370</u>	<u>1,370</u>	<u>1,370</u>
-3,368		-2,030	-2,030	-2,030
Income				
0	Exceptional item	-	-	-
<u>-207</u>	Interest on bank balance	<u>-158</u>	<u>-200</u>	<u>-180</u>
<u>-207</u>		<u>-145</u>	<u>-200</u>	<u>-180</u>
<u>-3,325</u>	Excess of Capital Charges Over Financing Costs	<u>-1,844</u>	<u>-1,891</u>	<u>-1,657</u>

PROVISION FOR DEBT REPAYMENT

Expenditure				
220	Loan repayment	223	235	369
Reversal of Capital Charges				
<u>-1,761</u>		<u>-1,370</u>	<u>-1,370</u>	<u>-1,370</u>
<u>-1,541</u>	Excess of Depreciation and Deferred Charges Over Debt Repayment	<u>-1,147</u>	<u>-1,135</u>	<u>-1,001</u>

PENSIONS ACCOUNT

-	Pension Paid	8,300	8,591	9,082
-	Lump sums paid	2,087	2,311	2,420
-	Outwards Transfers	-	60	122
-		<u>10,387</u>	<u>10,962</u>	<u>11,624</u>
Less income :				
-	Employee Contributions - 1992 scheme	2,517	2,544	2,527
-	Employee Contributions - 2006 scheme	13	190	287
-	Employer Contributions - 1992 scheme	4,871	4,920	4,886
-	Employer Contributions - 2006 scheme	27	246	371
-	Ill health charges	241	202	224
-	Inward Transfers	170	90	195
-		<u>7,839</u>	<u>8,192</u>	<u>8,490</u>
-	Deficit funded by DCLG grant	<u>2,548</u>	<u>2,770</u>	<u>3,134</u>

Section C – Capital

Capital schemes to the value of £3,175,000 are to start in 2007/08.

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

Financing of existing capital commitments and proposed capital programme

	07/08 £'000	08/09 £'000	09/10 £'000	10/11 £'000
Payments – existing commitments	5,300	2,450	250	-
Payments – proposed programme - 2007/08 – 2009/10 starts	2,590	4,767	3,081	585
Total payments	7,890	7,217	3,331	585
Financed by:				
Supported borrowing	2,838	1,524	1,524	1,524
Unsupported borrowing	2,154	2,406	546	-939
Revenue contributions	760	742	985	-
Capital contributions	-	-	-	-
Capital grant	292	-	-	-
Capital reserve	-	-	-	-
Capital receipts	1,846	2,545	276	-
Total financing	7,890	7,217	3,331	585
Supported/unsupported(-) borrowing:				
Unused Balance 1 April	1,314	-2,154	-4,560	-5,106
Assumed allocation	1,524	1,524	1,524	1,524
Used in year	-4,992	-3,930	-2,070	-585
Balance 31 March	-2,154	-4,560	-5,106	-4,167