

Hampshire Fire and Rescue Authority

Revenue Budget 2008/09

Capital Programme 2008/09 – 2010/11

Contents

Section A:	Revenue Budget 2008/09
Section B:	Detailed Revenue Budget
Section C:	Capital Programme 2008/09 – 2010/11

J Bonney MBA DMS BA(Hons) AIFireE
Chief Officer

J C Pittam BSc CPFA
Treasurer

Introduction

- 1 This document sets out the details of the Hampshire Fire and Rescue Authority's Revenue Budget for 2008/09 and Capital Programme for the 3 year period 2008/09 – 2010/11.
- 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	Lab
	E F Gale MBE	Con
	D Harrison	LD
	P A Heath	Con (Vice-Chairman)
	B Dash	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 Phillips	LD
	A Fraser	LD

Southampton City Council Members

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

Section A

Page	Contents
4-7	Summary of revenue budget
8	Paying for the service and analysis of reserves
9-11	Financial Management Strategy
12	Budget Forecast for 2009/10 and 2010/11
13	Prudential Indicators
14	Non-met Fire Authorities' Band D Council Tax 2008/09

Summary of Revenue Budget 2008/09

1 Summary

The budget for the Authority for 2008/09 has been set at £64,600,000.

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 2007 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 2007 to March 2009

To this budget was added contributions to reserves (£841,000) offset by a reduction in the general balance of £400,000.

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 2007/08	62,450
Add full year costs of inflation to November 2007	89
Add growth items allowed in the base budget:	
Net cost of increments	24
Interest and statutory provision for debt repayment	564
Full year effect of previous years' growth	-243
Provision for inflation from November 2007 to outturn 2008/09	1,312
Retained incidents	-70
HFRA firefighter pension costs	107
Net change in leasing costs	-95
Base budget 2008/09	64,138
New expenditure:	
Unavoidable growth (audit fees)	25
Revenue costs of proposed capital programme	39
Contribution to modernisation reserve	341
Contribution to capital payments reserve	500
Further increase in capital payments reserve or lesser reduction in general reserve	100
Reduction in general balance	-500
Net savings required	-43
Budget requirement 2008/09	64,600

4 Full year cost of inflation to November 2007 prices

The original budget has been increased by the actual costs of inflation to November 2007. The additional inflation is £89,000 for pay and prices. This is particularly low as there are several budget heads (energy related) where the

inflation applied is negative.

5 Increments

These are the gross costs of increments less savings on turnover. The net cost for firefighters is nil and for support staff is £24,000.

6 Interest and provision for statutory debt repayment costs

Interest payable to both the Public Works Loans Board and the County Council together with the amount that has to be set aside for the statutory provision for debt repayment increase by £564,000 in 2008/09. This is due to the increased borrowing (both long and short-term) resulting from the capital programme (the headquarters development in particular) and the reduction in reserves (such as capital payments) which the Authority previously held which would have attracted interest receipts.

7 Full year effect of previous years' growth

These decrease the budget by £243,000. This is mainly due to the one year growth included in the budget for the transitional costs relating to day crewing and home fire safety visits and the contribution to the general reserve offset by the falling out of the contribution from the transitional grant reserve.

8 Retained Pay – number of incidents

The budget is currently based on 24,898 incidents. This was 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.

The formula has been calculated for 2008/09 and the average number of incidents decreased to 24,198 which in turn decreases the retained pay budget by £70,000.

9 Provision for future inflation

The provision for inflation from November 2007 to March 2009 has been calculated based on 2.5% for firefighters and for support staff, 3.9% for pension payments that the Authority is still liable for and 2.5% for all other costs. An increase in local government employer's pension contributions of 0.5% of salaries has also been provided for.

10 HFRA firefighters pension costs

The pension costs for which the Authority is liable for are estimated to increase by £107,000 in 2008/09. 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 2008/09 will bear the cost of 1/3 of any such retirements in 2006/07, 2007/08 and 2008/09. The costs should

level out now 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 Changes in Reserves

In order to restore the modernisation reserve to a balance of £600,000 a contribution of £355,000 has been incorporated in the budget.

In addition a contribution of £500,000 to the capital payment reserve has been made for the relocation or re-development of Cosham Fire Station.

The risk analysis for the general balance has been updated and the level of the general balance has been reduced by £400,000 to £1.6m.

Paying for the Service

Actual 2006/07 £000		Original 2007/08 £000	Budget 2008/09 £000
Budget requirement			
4,338	Revenue Support Grant	3,966	3,450
22,472	Non-Domestic Rates	23,629	24,786
1	Net surplus on collection fund	288	163
32,749	Precept – met by council taxpayers	34,567	36,201
606,873.37	Taxbase Band D equivalent dwellings	610,524.76	616,488.97
£53.64	Council tax per Band D dwelling	£56.07	£58.23
2.9%	Increase over previous year	4.53%	3.85%
Council taxes for each band			
35.76	Band A up to £40,000	37.38	38.82
41.72	Band B £40,001 - £52,000	43.61	45.29
47.68	Band C £52,001 - £68,000	49.84	51.76
53.64	Band D £68,001 - £88,000	56.07	58.23
65.56	Band E £88,001 - £120,000	68.53	71.17
77.48	Band F £120,001 - £160,000	80.99	84.11
89.40	Band G £160,001 - £320,000	93.45	97.05
107.28	Band H above £320,000	112.14	116.46

Analysis of reserves

Actual 2006/07 £000		Original 2007/08 £000	Revised 2007/08 £000	Budget 2008/09 £000
1,816	Unearmarked balance at 1 April	1,646	1,646	2,000
3,382	Earmarked reserves at 1 April	2,873	1,208	259
<u>32,750</u>	Estimated precept income	<u>34,855</u>	<u>34,855</u>	<u>36,364</u>
37,948		39,374	37,709	38,623
35,094	Expenditure to be met from precept, reserves and balances	35,410	35,450	35,923
2,854	Total reserves as at 31 March	3,964	2,259	2,700
1,208	Less earmarked reserves as at 31 March	1,964	259	1,100
1,646	Unearmarked balance at 31 March	2,000	2,000	1,600

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 2009.
- 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 2008/09 - 2010/12

Prepared at November 2007 prices with a total provision for inflation from November 2007 to outturn 2008/09. Similar inflation assumptions have been made in the following two years.

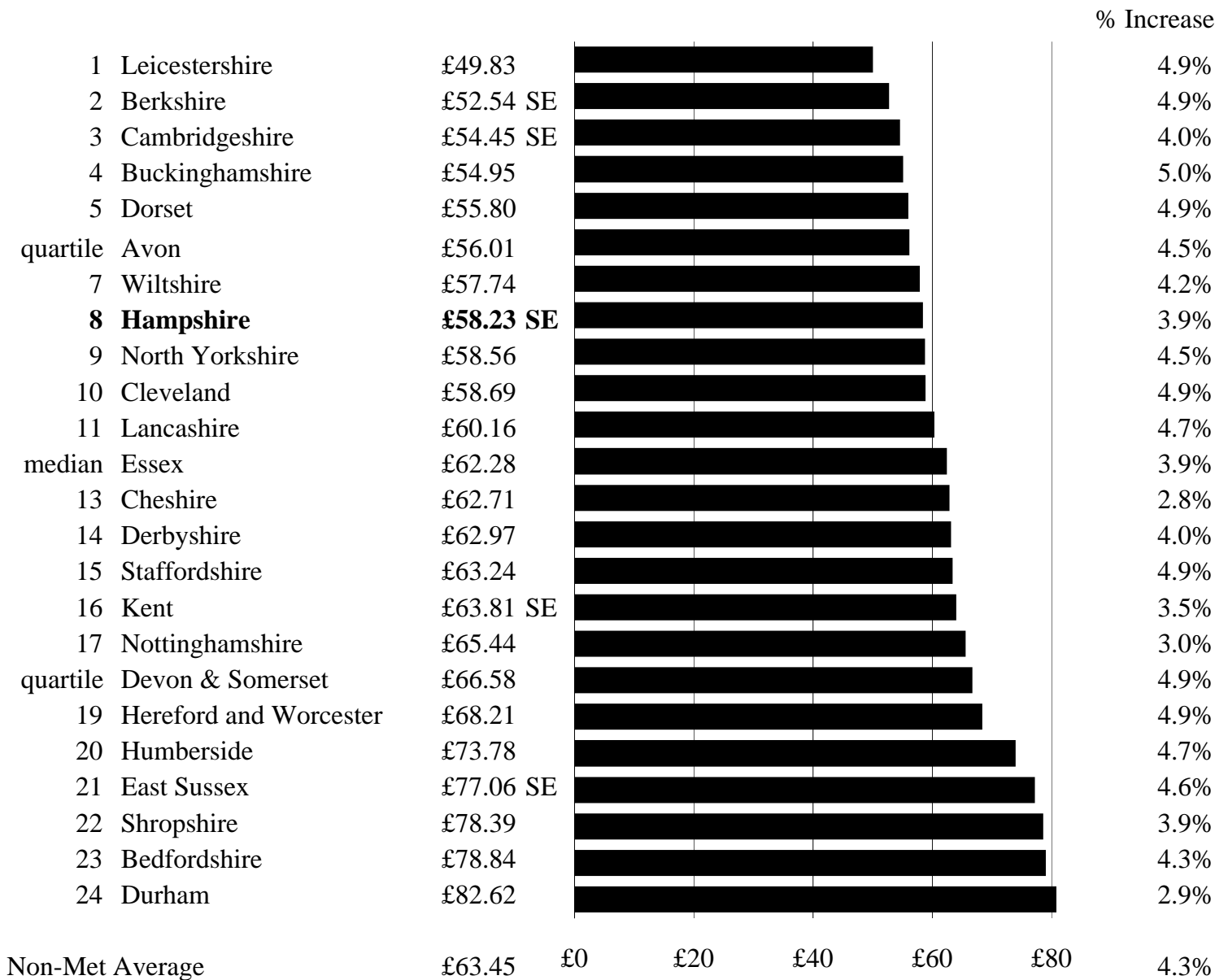
	2008/09	2009/10	2010/11
	£'000	£'000	£'000
EMPLOYEES			
Wholetime firefighters	32,658	32,613	32,658
Retained firefighters	5,927	5,906	5,927
Other staff	9,422	9,416	9,422
Other employees expenses	1,047	1,047	1,047
Net cost of pensions	726	726	726
Total Employees	49,780	49,708	49,780
PREMISES			
Building maintenance	1,318	1,318	1,318
Cleaning and refuse collection	248	248	248
Utilities, rents, rates etc	1,395	1,395	1,395
Total Premises	2,961	2,961	2,961
TRANSPORT			
Leasing	724	546	454
Other transport	1,589	1,589	1,589
Total Transport	2,313	2,135	2,043
SUPPLIES AND SERVICES			
Operational equipment	1,089	1,089	1,089
IT and communications	2,789	2,789	2,789
Insurance	719	719	719
Other supplies	2,350	2,348	2,350
Underallocation of inflation provision	0	0	0
Total Supplies and Services	6,947	6,945	6,947
Contracted support services	466	466	466
Depreciation	1,370	1,370	1,370
Revenue Contributions to Capital-budgeted	730	920	500
Revenue Contributions to Capital financed from reserves	0	0	0
Provision for inflation	1,313	2,920	4,527
GROSS EXPENDITURE	65,880	67,425	68,594
LESS INCOME	(1,683)	(1,557)	(1,683)
Transitional Grant	0	0	0
NET COST OF SERVICE	64,197	65,868	66,911
Interest on bank balance	330	300	300
Interest on external loans	545	673	799
Contribution to/(from) Capital Payment Reserve	500	0	0
Contribution to/(from) General Balance	(400)	0	0
Contribution to/(from) Modernisation Reserve	341	0	0
Underspending reserve	(43)	0	0
Contribution from Capital Adjustment Account	(870)	(744)	(598)
BUDGET REQUIREMENT	64,600	66,097	67,412
Indicative increase in council tax	3.85%	3.00%	1.80%

PRUDENTIAL INDICATORS SUMMARY

Indicator	Basis	Period	Unit	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Affordability									
1	Estimate	Years 1, 2 and 3	%		1.60%	2.10%	2.40%	2.80%	
2	Actual	Year end	%	0.50%					
3	Estimate	Years 1, 2 and 3 (and longer as necessary)	£ per Band D Equivalent			£1.29	£1.80	£1.48	£0.91
Capital Expenditure									
4	Estimate	Years 1, 2 and 3 (and longer as necessary)	£000		7,545	5,160	3,734	2,619	990
5	Actual	Year end	£000	6,353					
6	Estimate	Years 1, 2 and 3	£000		12,502	14,293	16,660	18,149	
7	Actual	Year end	£000	8,430					
External Debt									
8	Estimate	Years 1, 2 and 3	£m			27,130	29,795	32,131	
9	Estimate	Years 1, 2 and 3	£m			20,111	22,565	24,684	
10	Actual	Year end	£000	5,450					
11	Actual	Year end	£000	483					
12	Actual	Year end	£000	5,933					
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		9.7	11.7	14.2	15.2	
16	Estimate	Years 1, 2 and 3	£m		8.4	15.5	15.7	15.9	
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		2008/09		2009/10		2010/11	
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	18%	0%	17%	0%	13%	0%
17c	24 months and within 5 years	18%	0%	17%	0%	13%	0%
17d	5 years and within 10 years	18%	0%	17%	0%	13%	0%
17e	10 years and above	0%	82%	0%	83%	0%	83%

Non-Met Fire Authorities' Band D Council Tax 2008/09



Section B – Detailed Revenue Budget 2008/09

Page	Contents
16-17	Summary Revenue Account
18-19	<i>PROTECTION</i> - Statutory Inspection and Certification <i>PREVENTING</i> - Prevention and Education <i>RESPONDING</i> - Operational Responses, Communications and Mobilising
20-21	<i>RESPONDING</i> continued - Water Supplies <i>FIREFIGHTERS PENSIONS</i> <i>MANAGEMENT AND SUPPORT SERVICES</i> - Transport Management and Maintenance, Training Delivery
22-23	Human Resources, Training and Development, Corporate Services, Corporate and Democratic Core
24-25	Capital Adjustment Account, Interest Payable and Receivable and Pensions Account

Actual 2006/07		Original 2007/08	Revised 2007/08	Budget 2008/09
-------------------	--	---------------------	--------------------	-------------------

The budget for the Authority for 2008/09 is £64,600,000 which is £2,150,000 (3.44%) more than the budget for 2007/08.

Staffing Statistics

The budget allows for the following staff:-

	Firefighters			
802	Whole-time (FTE)	812	820	820
617	Retained (24 hour cover units)	656	679	679
	Other staff :			
40	Control room staff (FTE)	41	43	43
33	Incident support team (24 hour cover units)	48	48	48
289	Administration staff including workshop employees and cleaners (FTE)	271	274	273
<hr/>		<hr/>	<hr/>	<hr/>
1,780	Total	1,828	1,864	1,863

HAMPSHIRE FIRE & RESCUE AUTHORITY

REVENUE BUDGET

Actual		Original	Revised	Budget
2006/07		2007/08	2007/08	2008/09
£'000		£'000	£'000	£'000
32,206	- Wholetime firefighters	33,204	32,460	33,346
6,287	- Retained firefighters	5,929	6,074	6,052
8,516	- Other staff	9,367	9,584	9,620
1,002	- Other employees expenses including training	1,053	1,671	1,071
779	- Pension (net costs)	619	568	744
2,494	- FRS17 adjustments	4,651	5,966	6,313
51,284		54,823	56,323	57,146
2,738	Premises	3,051	3,043	3,035
2,610	Transport	2,260	2,429	2,352
7,167	Supplies & services	6,959	7,276	7,117
437	Contracted support services	437	441	466
2,161	Capital charges	1,443	1,370	1,370
1,061	Revenue Contributions to capital-budgeted	760	868	730
1,835	Revenue Contributions to capital-financed from reserves	-	-	-
(35)	Increase/Decrease in provisions	-	-	-
	Savings to be identified	-	-	-43
69,258	Gross expenditure	69,733	71,750	72,173
2,982	Less service income	1,742	2,326	1,706
394	Less Transitional Grant reserve	394	394	-
65,882	NET COST OF SERVICES	67,597	69,030	70,467
(207)	Interest on bank balance	(180)	108	330
254	Interest on external loans	553	400	545
17,252	Pensions interest cost and expected return on pensions assets	18,230	19,570	20,610
(19,746)	Movement on Pensions reserve	(22,881)	(25,536)	(26,923)
(145)	Contribution to/(from) modernisation reserve	(60)	(355)	341
200	Underspending reserve	(200)	(200)	0
-	Contribution to/(from) transitional grant reserve	-	-	-
(1,835)	Contribution to/(from) Capital Payments reserve	111	111	500
(170)	Contribution to/(from) General balance	354	354	(400)
(1,925)	Contribution from capital adjustment account	(1,074)	(1,032)	(870)
59,560	BUDGET REQUIREMENT	62,450	62,450	64,600

MET BY				
4,338	- Revenue Support Grant	3,966	3,966	3,450
22,472	- National Non-Domestic Rates	23,629	23,629	24,786
32,749	- Precept - met by council tax payers	34,567	34,567	36,201
1	- Collection fund net surplus	288	288	163
59,560		62,450	62,450	64,600

Actual 2006/07		Original 2007/08	Revised 2007/08	Budget 2008/09
-------------------	--	---------------------	--------------------	-------------------

PROTECTION/(Statutory Inspection & Certification)

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

11,075	Number of inspections carried out	20,000	11,000	11,000
--------	-----------------------------------	--------	--------	---------------

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.

317	Fire awareness safety visits KS1	351	317	317
265	School Fire Safety unit visits KS2	283	265	265
705	School liaison visits KS3	215	705	705
24,245	Other activities including home fire safety checks	25,000	24,000	24,000

Business Education run Fire Safety Training courses for public bodies and train commercially through a partnership with Flagship, for which charges are made. Business Education also take part in information seminars/workshops to educate the commercial sector within Hampshire.

253	Commercial/industrial organisations receiving training	280	185	185
-----	--	-----	-----	------------

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
263	Number of vehicles	263	260	266
24,401	Number of incidents	24,898	24,898	24,198

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
2006/07		2007/08	2007/08	2008/09
£'000		£'000	£'000	£'000
PROTECTION/(Statutory Inspection & Certification)				
3,444	Employees	3,856	3,971	3,585
14	Premises	14	11	11
172	Transport	179	176	178
164	Supplies and services	53	72	51
-	Capital charges	-	-	-
576	Central support services	476	557	506
4,370		4,578	4,787	4,331
46	Less Income - fees and charges	48	44	31
4,324	Net expenditure inc in Income and Expenditure Account	4,530	4,743	4,300
PREVENTING/(Prevention & Education)				
2,422	Employees	2,281	2,575	2,571
15	Premises	26	25	23
109	Transport	51	55	55
354	Supplies and services	441	485	304
345	Central support services	252	322	305
13	Capital charges	-	-	-
3,258		3,051	3,462	3,258
492	Less Income - fees and charges	457	573	471
2,766	Net expenditure inc in Income and Expenditure Account	2,594	2,889	2,787
RESPONDING/(Firefighting and Rescue Operations)				
Operational Responses				
35,041	Employees	37,963	38,856	39,653
2,555	Premises	2,829	2,844	2,885
1,545	Transport	1,346	1,505	1,422
1,585	Supplies and services	1,515	1,724	1,769
1,831	Capital charges	1,361	1,361	1,361
11,895	Central support services	11,913	11,906	12,206
54,452		56,927	58,196	59,296
1,710	Less Income - fees and charges	891	1,210	1,039
52,742	Net expenditure inc in Income and Expenditure Account	56,036	56,986	58,257
Communications and Mobilising				
1,514	Employees	1,671	1,812	1,767
29	Premises	8	10	9
7	Transport		6	-
621	Supplies and services	550	552	585
313	Central support services	249	289	297
2,484		2,478	2,669	2,658
69	Less Income - fees and charges	53	169	17
2,415	Net expenditure inc in Income and Expenditure Account	2,425	2,500	2,641

Actual	Original	Revised	Budget
2006/07	2007/08	2007/08	2008/09

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.

263	Number of vehicles serviced	263	270	266
-----	-----------------------------	-----	-----	------------

Training Delivery

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

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual 2006/07 £'000		Original 2007/08 £'000	Revised 2007/08 £'000	Budget 2008/09 £'000
Securing Water Supplies				
166	Supplies and services	201	151	191
23	Central support services	21	20	23
<u>189</u>	Net expenditure inc in Income and Expenditure Account	<u>222</u>	<u>171</u>	<u>214</u>
FIREFIGHTERS' PENSIONS				
442	Pension Payments/Injury Pension payments	395	400	391
33	Ill health charges	224	187	353
	Commutations			-
804	Transfer values paid	-	0	-
<u>1,279</u>		<u>619</u>	<u>587</u>	<u>744</u>
15	Less - contributions		0	-
485	- transfer values received		0	-
<u>779</u>	Net expenditure inc in Income and Expenditure Account	<u>619</u>	<u>671</u>	<u>744</u>
MANAGEMENT AND SUPPORT SERVICES				
Transport Management and Maintenance				
1,024	Employees	1,162	1,052	1,041
70	Premises	79	73	68
570	Transport	526	517	532
97	Supplies and services	104	99	103
22	Capital charges	4	4	4
<u>1,783</u>		<u>1,875</u>	<u>1,745</u>	<u>1,748</u>
358	Less Income - fees and charges	106	152	109
<u>-1,425</u>	Costs allocated to services	<u>-1,769</u>	<u>-1,593</u>	<u>-1,639</u>
<u>-</u>	Net expenditure inc in Income and Expenditure Account	<u>-</u>	<u>-</u>	<u>-</u>
Training Delivery				
3,340	Employees	2,665	2,919	2,919
35	Premises	38	22	39
97	Transport	79	88	82
214	Supplies and services	179	202	179
1	Capital Charges	-	-	-
<u>3,687</u>		<u>2,961</u>	<u>3,231</u>	<u>3,219</u>
96	Less Income - fees and charges	3	117	2
<u>-3,591</u>	Costs allocated to services	<u>-2,958</u>	<u>-3,114</u>	<u>-3,217</u>
<u>-</u>	Net expenditure inc in Income and Expenditure Account	<u>-</u>	<u>-</u>	<u>-</u>

Actual	Original	Revised	Budget
2006/07	2007/08	2007/08	2008/09

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
2006/07		2007/08	2007/08	2008/09
£'000		£'000	£'000	£'000
Human Resources				
1,687	Employees	1,491	1,672	1,654
3	Premises	-	2	-
36	Transport	4	4	4
316	Supplies and services	228	380	234
2,042		1,723	2,058	1,892
9	Less Income - fees and charges	-	-	-
-2,033	Costs allocated to services	-1,723	-2,058	-1,892
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Training and Development				
128	Employees	527	262	527
1	Transport	15	15	15
0	Supplies and services	24	24	25
129		566	301	567
25	Less Income - fees and charges	14	39	14
-104	Costs allocated to services	-552	-262	-553
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Corporate Services				
2,682	Employees	2,588	2,635	2,684
17	Premises	57	56	-
73	Transport	60	63	64
3,650	Supplies and services	3,664	3,587	3,676
437	Contract support services	437	441	466
62	Capital charges	78	5	5
6,921		6,884	6,787	6,895
177	Less Income - fees and charges	170	22	23
6,744		6,714	6,765	6,872
-5,998	Costs allocated to services	-5,867	-5,952	-6,035
-463	Costs allocated to democratic representation & management	-347	-333	-333
-283	Costs allocated to corporate management	-500	-480	-504
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Corporate and Democratic Core				
463	Democratic representation & management	347	333	333
283	Corporate management	500	480	504
746	Net expenditure inc in Income and Expenditure Account	847	813	837

Actual	Original	Revised	Budget
2006/07	2007/08	2007/08	2008/09

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.

Currently the authority's debt repayments are made at the minimum level of 4% required by legislation.

New regulations are expected for 2008/09 but it is not anticipated that implementation of the new regulations will have a material impact on the Authority's capital financing costs.

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.

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 DCLG grant.

738	Number of pensioners	785	756	771
-----	----------------------	-----	-----	-----

HAMPSHIRE FIRE & RESCUE AUTHORITY

REVENUE BUDGET

Actual		Original	Revised	Budget
2006/07		2007/08	2007/08	2008/09
£'000		£'000	£'000	£'000

CAPITAL ADJUSTMENT ACCOUNT

-1930	Reversal of depreciation net of deferred government grants released	-1438	-1365	-1365
235	Statutory provision for debt repayment	369	338	500
-230	Deferred charges written down	-5	-5	-5
-1,925	Net expenditure inc in Income and Expenditure Account	-1,074	-1,032	-870

INTEREST PAYABLE AND RECEIVABLE

-207	Interest on bank balance	-180	108	330
254	Interest on external loans	553	400	545

PENSIONS ACCOUNT

8,563	Pension Paid	9,082	9,194	9,684
1,769	Lump sums paid	2,420	3,362	3,881
-	Outwards Transfers	122	472	472
10,332		11,624	13,028	14,037
	Less income :			
2,642	Employee Contributions - 1992 scheme	2,527	2,642	2,630
155	Employee Contributions - 2006 scheme	287	287	488
4,977	Employer Contributions - 1992 scheme	4,886	4,894	4,949
201	Employer Contributions - 2006 scheme	371	371	631
101	Ill health charges	224	229	346
-	Inward Transfers	195	439	439
8,076		8,490	8,862	9,483
2,256	Deficit funded by DCLG grant	3,134	4,166	4,554

Section C – Capital

Capital schemes to the value of £6,212,000 are to start in 2008/09.

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	11/12 £'000
Payments – existing commitments	7,545	645	-	-	-
Payments – proposed programme - 2008/09 – 2010/11 starts	-	4,515	3,734	2,619	990
Total payments	7,545	5,160	3,734	2,619	990
Financed by:					
Supported borrowing	3,563	1,621	1,811	1,863	990
Unsupported borrowing	628	378	693	256	0
Revenue contributions	822	730	920	500	0
Capital contributions	18	19	0	0	0
Capital grant	292	0	0	0	0
Capital payments reserve	0	0	0	0	0
Capital receipts	2,222	2,412	310	0	0
Total financing	7,545	5,160	3,734	2,619	990
Supported/unsupported(-) borrowing:					
Unused Balance 1 April	2,039	-628	-1,006	-1,699	-1,955
Actual allocation	1,524	1,621	1,811	1,863	1,863
Used in year	-4,191	-1,999	-2,504	-2,119	-990
Balance 31 March	-628	-1,006	-1,699	-1,955	-1,082

Proposed Capital Programme 2008/09 - 2010/11

Ref	Project Details	Latest Estimated Value	Payments Prior to 2007/08	08/09	09/10	10/11	11/12
				£'000	£'000	£'000	£'000
2008/09 Starts							
1	Vehicles: 9 pumping appliance Ancillary support vehicle Tail Lift lorry Capitalised Finance Lease	} 2,262 } } }		1,272	990		
2	Retained stations repairs and maintenance	50		50			
3	Major building repair:	200		200			
4	Winchester Fire Station	3,500	7	2,793	700		
5	Further provision for major building repair	200		200			
2009/10 Starts							
6	Vehicles: 9 pumping appliance Ancillary support vehicle Capitalised Finance Lease	} 2,584 } }			1,594	990	
7	Retained stations repairs and maintenance	50			50		
8	Major building repairs	200			200		
9	Further provision for major building repairs	200			200		
2010/11 Starts							
10	Vehicles: 9 pumping appliances Ancillary support vehicle	} 2,169 }				1,179	990
11	Retained stations repairs and maintenance	50				50	
12	Major building repair:	200				200	
13	Further provision for major building repair	200				200	
		11,865	7	4,515	3,734	2,619	990