



HAMPSHIRE
**FIRE AND
RESCUE**
AUTHORITY

Revenue Budget 2010/11

and

Capital Programme 2010/11 to 2012/13

Hampshire Fire and Rescue Authority

Revenue Budget 2010/11

Capital Programme 2010/11 – 2012/13

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Introduction

- 1 This document sets out the details of the Hampshire Fire and Rescue Authority's Revenue Budget for 2010/11 and Capital Programme for the 3 year period 2010/11 – 2012/13.
- 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 2010) is:

Hampshire County Council Members

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

Portsmouth City Council Members

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

Southampton City Council Members

Councillors:	P Galton	Liberal Democrat
	P Marsh-Jenks	Labour
	R Smith	Conservative (Chairman)

Section A

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Summary of Revenue Budget 2010/11

1 Summary

The budget for the Authority for 2010/11 has been set at £68,160,000.

2 Basis of Preparation

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

- the original budget for 2009/10 increased to the November 2009 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 2009 to March 2011

To this base was added new expenditure totalling £1,114,000, details of which are set out in the following pages.

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 2009/10	66,659
Add full year costs of inflation to November 2009	-449
Add growth items allowed in the base budget:	
Net cost of increments	25
Interest and statutory provision for debt repayment	35
Full year effect of previous years' growth and budget adjustments	-336
Provision for inflation from November 2009 to outturn 2010/11	1,167
Hampshire Fire and Rescue Authority (HFRA) firefighter pension costs	-6
Net change in leasing costs	-49
Base budget 2010/11	67,046

Base budget 2010/11 carried forward	67,046
New expenditure:	
Revenue costs of proposed capital programme	12
Addition of recurring contingency	250
One-off contribution to the Capital Payments Reserve	245
Budgeted contribution carried forward	607
Budget requirement 2010/11	68,160

4 Full year cost of inflation to November 2009 prices

The original budget has been reduced to reflect the actual costs of inflation to November 2009. Total inflation is -£449,000 for pay and prices. The main reason for the reduction is that the actual pay awards were less than that provided.

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 £25,000.

6 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 a net £35,000 in 2010/11. It is assumed there will be no change in interest payable to the County Council.

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

These decrease the budget by £336,000. This is mainly due to the contribution to the Improvement and Sustainability Reserve which was for one year only.

8 Provision for future inflation

The provision for inflation from November 2009 to March 2011 has been calculated based on 1% for firefighters and support staff pay awards, 0% for pension payments that the Authority is still liable for and 2.5% for most other costs. Exceptions have been made for gas which has been provided for at 15% and business rates which has been provided for at 11.4%. An increase in local government employer's pension contributions of 0.5% for support staff and 1% for employer's pension contributions for firefighters has also been provided for.

9 HFRA firefighters pension costs

The pension costs for which the Authority is liable for are estimated to decrease by £6,000 in 2010/11.

10 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 increases in finance lease charges.

11 Revenue costs of proposed capital programme

The proposed capital programme would incur additional revenue costs of £12,000 in 2010/11, £57,000 in 2011/12 and £114,000 in 2012/13. However, these are less than the reduction in leasing costs resulting from the vehicles coming to the end of the agreements. So, overall, the revenue cost of acquiring vehicles is decreasing.

12 Recurring contingency

There are a number of areas of risk in which there could be significant recurring expenditure include possible Firelink charges and the potential that the provision for business rates inflation is insufficient . However, these cannot yet be accurately quantified. After careful consideration as to how best to mitigate such risks a sum of £250,000 has been added to the base budget to provide an element of contingency for these risks. This has been more than offset by the increase in income from the rise in the taxbase.

13 One off contribution to the Capital Payments Reserve

Overall the billing authorities declared a surplus on their collection funds of £245,000 for this Authority. This has been used as a one-off contribution to the capital payments reserve which could help to ease the position in the later years.

14 Budgeted contribution carried forward

In setting the budget for 2010/11, the Members were conscious of the anticipated worsening budget position from 2011/12. Therefore they sought to use the more flexible position in 2010/11 to place the Authority in the best possible position for the years ahead. In setting this budget the Authority has been able to set aside £607,000 for future budget pressures.

Paying for the Service

Actual 2008/09 £000		Original 2009/10 £000	Budget 2010/11 £000
	Budget requirement		
3,450	Revenue Support Grant	5,384	3,711
24,786	Non-Domestic Rates	23,326	25,555
163	Net surplus on collection fund	237	245
36,201	Precept – met by council taxpayers	37,712	38,649
621,679.87	Taxbase Band D equivalent dwellings	625,403.94	629,663.69
£58.23	Council tax per Band D dwelling	£60.30	£61.38
3.9%	Increase over previous year	3.6%	1.8%
	Council taxes for each band		
38.82	Band A up to £40,000	40.20	40.92
45.29	Band B £40,001 - £52,000	46.90	47.74
51.76	Band C £52,001 - £68,000	53.60	54.56
58.23	Band D £68,001 - £88,000	60.30	61.38
71.17	Band E £88,001 - £120,000	73.70	75.02
84.11	Band F £120,001 - £160,000	87.10	88.66
97.05	Band G £160,001 - £320,000	100.50	102.30
116.46	Band H above £320,000	120.60	122.76

Analysis of reserves

Actual 2008/09 £000		Original 2009/10 £000	Revised 2009/10 £000	Budget 2010/11 £000
2,000	Unearmarked balance at 1 April	1,666	1,486	2,000
1,880	Earmarked reserves at 1 April	2,053	1,880	1,464
<u>36,364</u>	Estimated precept income	<u>37,949</u>	<u>37,949</u>	<u>38,894</u>
40,244		41,668	41,315	42,358
36,878	Expenditure to be met from precept, reserves and balances	37,726	37,851	38,240
3,366	Total reserves as at 31 March	3,942	3,464	4,118
1,880	Less earmarked reserves as at 31 March	2,276	1,464	2,118
1,486	Unearmarked balance at 31 March	1,666	2,000	2,000

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 Plan 2010 – 2013.
- 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 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 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 three-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 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 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%

Effect on 2011/12 council tax of setting 1.8% council tax for 2010/11

	2010/11	2011/12
Inflation assumptions:		
Pay	1.0%	1.0%
Employers pension contributions - firefighters	1.0%	0.0%
Employers pension contributions - support staff	0.5%	0.5%
Employers NI contributions	0.0%	1.0%
Other costs	2.5%	2.0%
Grant assumptions:		
	as notified	-5%
Base budget (£000)	67,046	69,291
Revenue costs of proposed capital programme (£000)	12	57
Proposed contingency	250	250
Proposed one off contribution to Capital Payments Reserve	245	0
Budgeted contribution carried forward (£000)	607	-607
Budget Requirement (£000)	68,160	68,991
Less Formula Grant (£000)	-29,266	-27,803
Net amount to be met from local taxation (£000)	38,894	41,188
Estimated balance on collection fund (£000)	-245	0
Estimated precept requirement (£000)	38,649	41,188
Net taxbase - latest estimate, no increase in future years	629,621	629,621
Estimated council tax at Band D (£)	61.38	65.42
Increase (£)	60.30	4.03
Council tax rise	1.8%	6.6%
Budget at 3% council tax (£000)		67,610
reduction required (£000)		-1,381
Budget at 1.5% council tax (£000)		67,030
reduction required (£000)		-1,961
Budget at 0% council tax (£000)		66,450
reduction required (£000)		-2,541

Outline Budget 2010/11 - 2012/13

Presented at outturn 2010/11 prices. The following inflation assumptions have been made in the following two years - 1% for pay, 0.5% increase in employers contributions for the LGPS and 2% for most other costs. National insurance costs are also due to increase by 1% from 2011/12.

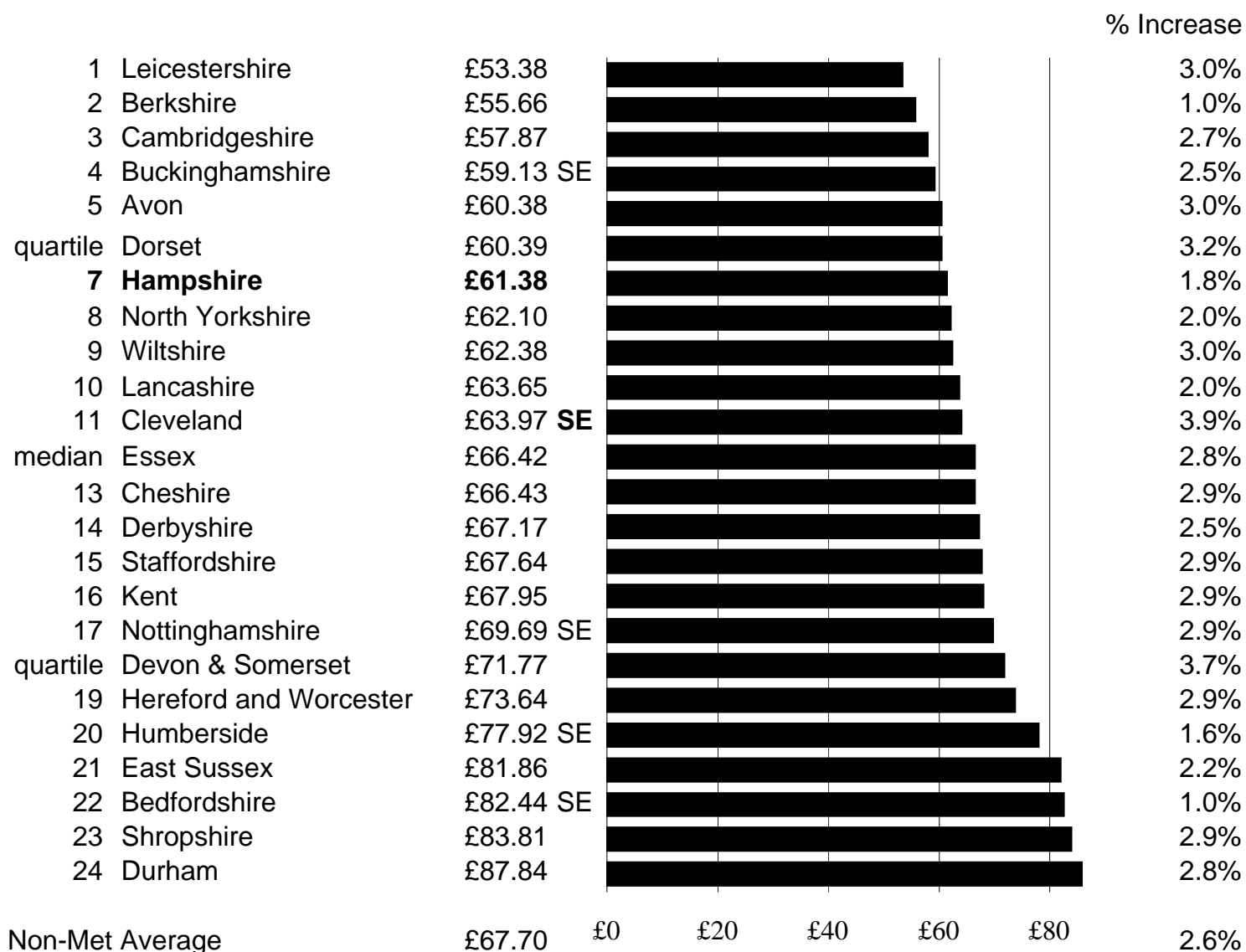
	2010/11 £'000	2011/12 £'000	2012/13 £'000
EMPLOYEES			
Wholetime firefighters	34,029	33,645	33,862
Retained firefighters	6,297	6,213	6,266
Other staff	10,385	10,261	10,304
Other employees expenses	1,125	1,098	1,098
Net cost of pensions	733	884	871
Total Employees	52,569	52,101	52,401
PREMISES			
Building maintenance	1,897	1,851	1,851
Utilities, rents, rates etc	1,823	1,658	1,658
Total Premises	3,720	3,509	3,509
TRANSPORT			
Leasing	605	510	430
Other transport	1,822	1,778	1,778
Total Transport	2,427	2,288	2,208
SUPPLIES AND SERVICES			
Operational equipment	1,206	1,512	1,129
Information and Communications Technology	3,116	2,847	2,847
Insurance	680	663	663
Uniform, laundry and protective clothing	597	582	582
Other supplies	1,655	1,615	1,533
Unallocated inflation provision	350	350	350
Total Supplies and Services	7,604	7,569	7,104
Bought in support services	478	474	474
Unallocated efficiency savings	79	79	79
Savings to be identified	0	0	0
Cost of selling assets	0	0	0
Depreciation	2,588	2,588	2,588
Revenue Contributions to Capital-budgeted	730	730	730
Revenue Contributions to Capital financed from reserves	0	0	0
Contingency	250	250	250
Provision for inflation	0	2,570	3,789
GROSS EXPENDITURE	70,445	72,158	73,132
LESS INCOME	(1,470)	(1,303)	(1,435)
NET COST OF SERVICES	68,975	70,855	71,697
Interest on bank balance	60	60	60
Interest on external loans	445	538	580
Contribution to/(from) Capital Payment Reserve	245	0	0
Contribution to/(from) General Balance	0	0	0
Contribution to/(from) Improvement & Sustainability Reserve	0	0	0
Contribution to/(from) Earmarked underspendings c/fwd	(198)	0	0
Contribution to/(from) Unearmarked underspendings c/fwd	607	(607)	0
Contribution from Capital Adjustments Account	(1,974)	(1,855)	(1,872)
BUDGET REQUIREMENT	68,160	68,991	70,465

PRUDENTIAL INDICATORS SUMMARY

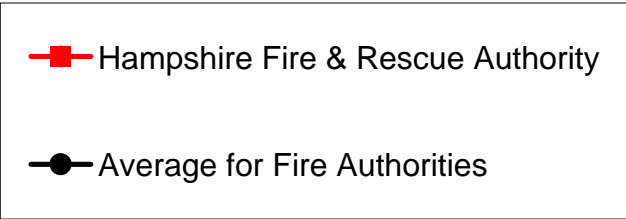
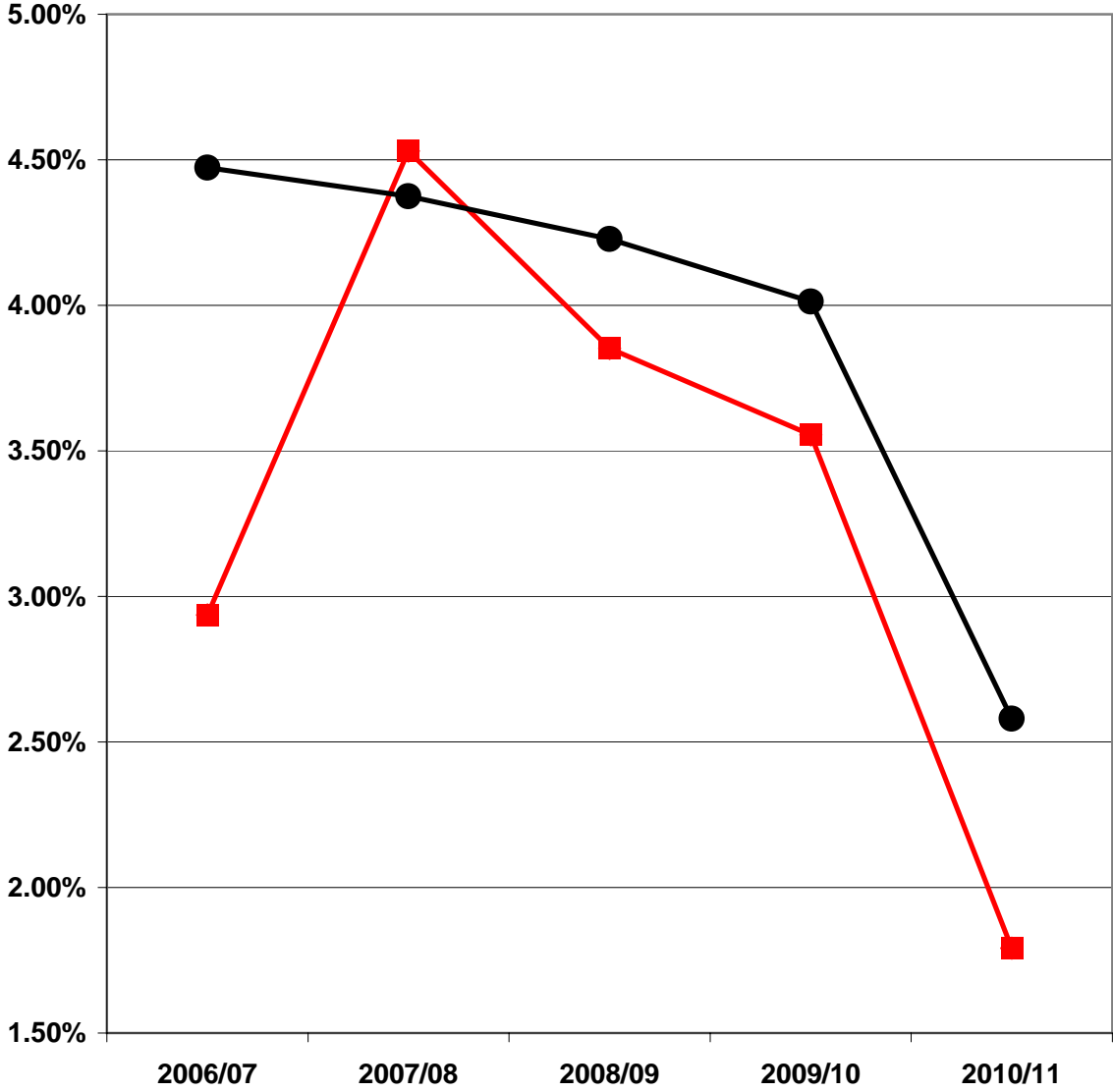
Indicator	Basis	Period	Unit	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Affordability									
1	Estimate	Years 1, 2 and 3	%		1.5%	1.7%	1.9%	2.0%	
2	Actual	Year end	%	1.00%					
3	Estimate	Years 1, 2 and 3 (and longer as necessary)	£ per Band D Equivalent			£1.18	£1.17	£1.30	£0.24
Capital Expenditure									
4	Estimate	Years 1, 2 and 3 (and longer as necessary)	£000		4,216	6,186	4,145	3,401	823
5	Actual	Year end	£000	6,048					
6	Estimate	Years 1, 2 and 3	£000		14,311	17,248	17,065	17,665	
7	Actual	Year end	£000	13,692					
External Debt									
8	Estimate	Years 1, 2 and 3	£m			25.6	25.8	25.9	
9	Estimate	Years 1, 2 and 3	£m			20.1	20.2	20.2	
10	Actual	Year end	£000	6,592					
11	Actual	Year end	£000	591					
12	Actual	Year end	£000	7,183					
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		7.1	10.1	10.2	10.2	
16	Estimate	Years 1, 2 and 3	£m		15.4	15.5	15.6	15.7	
17	Estimate	All years	%			see below	see below	see below	
18	Estimate	All years	£m	nil	nil	nil	nil	nil	nil

Period	2010/11		2011/12		2012/13	
	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	30%	0%	30%	0%	30%	0%
17c 24 months and within 5 years	30%	0%	30%	0%	30%	0%
17d 5 years and within 10 years	30%	0%	30%	0%	30%	0%
17e 10 years and above	100%	70%	100%	70%	100%	70%

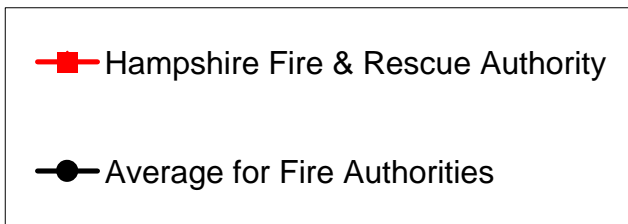
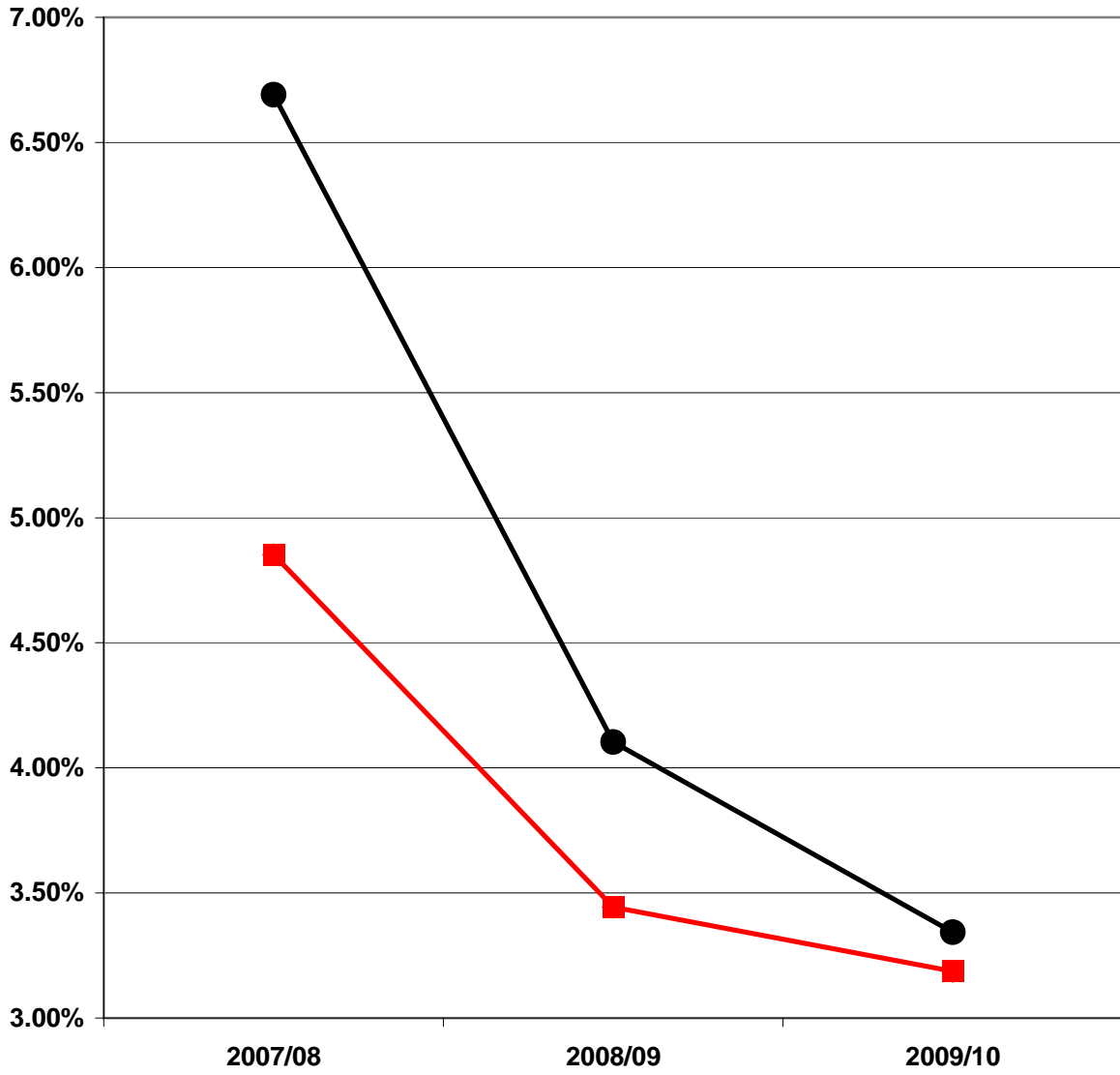
Non-Met Fire Authorities' Band D Council Tax 2010/11



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



Percentage increases in budget



Section B – Detailed Revenue Budget 2010/11

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24-25	<i>MANAGEMENT AND SUPPORT SERVICES</i> continued - Human Resources, Training and Development, Corporate Services, Corporate and Democratic Core
26-27	<i>CAPITAL ADJUSTMENT ACCOUNT, INTEREST PAYABLE AND RECEIVABLE, NON DISTRIBUTED COSTS, PENSIONS ACCOUNT</i>

Actual 2008/09		Original 2009/10	Revised 2009/10	Budget 2010/11
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The budget for the Authority for 2010/11 is £68,160,000 which is £1,501,000 (2.25%) more than the budget for 2009/10.

Staffing Statistics

The budget allows for the following staff:-

	Firefighters			
797	Whole-time (FTE)	803	798	774
613	Retained (24 hour cover units)	676	609	676
	Other staff :			
40	Control room staff (FTE)	40	48	48
42	Incident support team (24 hour cover units)	22	42	47
269	Administration staff including workshop employees and cleaners (FTE)	265	270	263
<hr/>		<hr/>	<hr/>	<hr/>
1,761	Total	1,806	1,767	1,808

HAMPSHIRE FIRE & RESCUE AUTHORITY

REVENUE BUDGET

Actual 2008/09 £'000		Original 2009/10 £'000	Revised 2009/10 £'000	Budget 2010/11 £'000
INCOME AND EXPENDITURE ACCOUNT				
33,479	- Wholetime firefighters	33,841	33,278	34,029
6,450	- Retained firefighters	6,277	6,737	6,297
9,666	- Other staff	10,060	11,031	10,385
1,051	- Other employees expenses including training	1,090	1,108	1,125
572	- Pension (net costs)	739	395	733
(3,380)	- FRS17 adjustments	1,637	1,747	1,818
47,838		53,644	54,296	54,387
3,039	Premises	3,550	3,642	3,720
2,822	Transport	2,460	2,452	2,417
7,208	Supplies & services	7,499	6,884	7,604
476	Contracted support services	470	474	478
11,929	Capital charges	1,370	2,588	2,588
1,050	Revenue Contributions to capital-budgeted	730	951	730
(70)	Revenue Contributions to capital-financed from reserves	-	750	-
17	Increase/Decrease in provisions	-	-	-
-	Unallocated efficiency savings	32	44	79
-	Contingency	-	-	250
74,309	Gross expenditure	69,755	72,081	72,253
2,791	Less service income	1,384	2,182	1,470
71,518	NET COST OF SERVICES	68,371	69,899	70,783
(217)	(Gain)/loss on sale of fixed assets	-	9	-
227	Reversal of gain on sale of assets	-	-	-
74	Interest payable on bank balance	60	30	60
(1)	Interest receivable on bank balance	-	-	-
288	Interest on external loans	416	352	445
11	Finance lease interest payable	-	11	10
(9)	Finance lease interest receivable	-	-	-
22,660	Pensions interest cost and expected return on pensions assets	24,350	25,780	27,280
(19,280)	Movement on Pensions reserve	(25,987)	(27,527)	(29,098)
168	Contribution to/(from) Improvement & Sustainability reserve	223	220	-
750	Contribution to/(from) Capital Payments reserve	-	(574)	245
(514)	Contribution to/(from) General balance	-	514	-
300	Contribution to/(from) Equal Pay reserve	-	(600)	-
-	Contribution to/(from) Earmarked underspendings c/fwd	-	198	(198)
-	Contribution to/(from) Unearmarked underspendings c/fwd	-	340	607
(11,375)	Contribution from capital adjustment account	(774)	(1,993)	(1,974)
64,600	BUDGET REQUIREMENT	66,659	66,659	68,160

MET BY				
3,450	- Revenue Support Grant	5,384	5,384	3,711
24,786	- National Non-Domestic Rates	23,326	23,326	25,555
36,201	- Precept - met by council tax payers	37,712	37,712	38,649
163	- Collection fund net surplus	237	237	245
64,600		66,659	66,659	68,160

Actual 2008/09		Original 2009/10	Revised 2009/10	Budget 2010/11
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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.

9,652	Number of inspections carried out	9,500	10,000	9,500
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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.

445	Non-domestic premises receiving training	500	520	570
494	Number of non-emergency lift incidents	425	383	340
3,517	Number of automatic fire alarm incidents	3,325	3,800	3,500

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.

243	Fire awareness safety visits KS1	220	320	330
218	School Fire Safety unit visits KS2	209	302	330
606	School liaison visits KS3	550	580	610
20,947	Other activities including home fire safety checks	11,000	10,000	10,000

Staff costs of £400,000 transferred from preventing to protection.

RESPONDING**Operational Responses**

The Authority saves lives and protects property throughout the geographic county of Hampshire. It responded to 20,817 incidents in 2008/09 (21,762 in 2007/08).

51	Number of stations	51	51	51
272	Number of vehicles	271	272	280*
20,817	Number of incidents	23,692	23,692	23,692

*Includes 11 "New Dimensions" assets which are government owned but it is expected their ownership will be signed over to HFRA in 2010/11.

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
2008/09		2009/10	2009/10	2010/11
£'000		£'000	£'000	£'000
PROTECTION				
3,311	Employees	3,817	3,789	3,818
21	Premises	15	6	6
255	Transport	231	212	215
141	Supplies and services	190	83	87
5	Capital charges	-	4	5
<u>608</u>	Central support services	<u>617</u>	<u>535</u>	<u>594</u>
4,341		4,870	4,629	4,725
<u>149</u>	Less Income - fees and charges	<u>148</u>	<u>111</u>	<u>110</u>
<u>4,192</u>	Net expenditure inc in Income and Expenditure Account	<u>4,722</u>	<u>4,518</u>	<u>4,615</u>
PREVENTING				
1,451	Employees	1,420	1,060	1,039
-	Premises	-	-	-
56	Transport	-	3	3
279	Supplies and services	136	180	138
19	Capital charges	-	19	19
<u>292</u>	Central support services	<u>238</u>	<u>175</u>	<u>189</u>
2,097		1,794	1,437	1,388
<u>46</u>	Less Income - fees and charges	<u>-</u>	<u>1</u>	<u>1</u>
<u>2,051</u>	Net expenditure inc in Income and Expenditure Account	<u>1,794</u>	<u>1,436</u>	<u>1,387</u>
RESPONDING				
Operational Responses				
33,640	Employees	37,751	38,948	38,883
2,037	Premises	2,791	2,852	2,910
1,536	Transport	1,479	1,487	1,434
1,669	Supplies and services	2,001	1,737	2,030
10,605	Capital charges	1,234	2,031	2,030
<u>13,284</u>	Central support services	<u>12,658</u>	<u>12,451</u>	<u>13,210</u>
62,771		57,914	59,506	60,497
<u>1,696</u>	Less Income - fees and charges	<u>1,001</u>	<u>1,427</u>	<u>1,130</u>
<u>61,075</u>	Net expenditure inc in Income and Expenditure Account	<u>56,913</u>	<u>58,079</u>	<u>59,367</u>
Communications and Mobilising				
1,559	Employees	1,532	1,888	1,608
23	Premises	13	2	2
16	Transport	-	17	10
518	Supplies and services	616	646	627
64	Capital charges	-	66	66
<u>324</u>	Central support services	<u>311</u>	<u>329</u>	<u>351</u>
2,504		2,472	2,948	2,664
<u>237</u>	Less Income - fees and charges	<u>78</u>	<u>232</u>	<u>81</u>
<u>2,267</u>	Net expenditure inc in Income and Expenditure Account	<u>2,394</u>	<u>2,716</u>	<u>2,583</u>

Actual	Original	Revised	Budget
2008/09	2009/10	2009/10	2010/11

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.

272	Number of vehicles serviced	271	272	280*
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*Includes 11 "New Dimensions" assets which are government owned but it is expected their ownership will be signed over to HFRA in 2010/11.

Training Delivery

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

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual		Original	Revised	Budget
2008/09		2009/10	2009/10	2010/11
£'000		£'000	£'000	£'000
Securing Water Supplies				
126	Supplies and services	191	170	165
21	Central support services	27	20	22
147	Net expenditure inc in Income and Expenditure Account	218	190	187
FIREFIGHTERS' PENSIONS				
353	Pension Payments/Injury Pension payments	372	391	392
110	Ill health pensions (retained)	117	116	117
-	Ill health charges	264	77	241
255	Transfer values paid	-	(255)	-
-	Other pensions expenditure	-	6	-
718		753	335	750
23	Less - contributions	14	17	17
123	- transfer values received	-	(77)	-
572	Net expenditure inc in Income and Expenditure Account	739	395	733
MANAGEMENT AND SUPPORT SERVICES				
Transport Management and Maintenance				
1,001	Employees	976	954	998
18	Premises	13	6	2
762	Transport	540	539	555
122	Supplies and services	103	90	172
27	Capital charges	4	26	26
1,930		1,636	1,615	1,753
351	Less Income - fees and charges	112	136	113
-1,579	Costs allocated to services	-1,524	-1,479	-1,640
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Training Delivery				
3,089	Employees	2,862	3,377	2,967
24	Premises	39	39	40
95	Transport	98	107	109
196	Supplies and services	179	233	201
10	Capital Charges	-	13	13
3,414		3,178	3,769	3,330
66	Less Income - fees and charges	2	4	4
-3,348	Costs allocated to services	-3,176	-3,765	-3,326
-	Net expenditure inc in Income and Expenditure Account	-	-	-

Actual	Original	Revised	Budget
2008/09	2009/10	2009/10	2010/11

Human Resources

The budget covers the cost of running the Human Resources Department and Occupational Health and Welfare 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
- 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
2008/09		2009/10	2009/10	2010/11
£'000		£'000	£'000	£'000
Human Resources				
1,198	Employees	1,361	1,345	1,440
1	Premises	-	-	-
19	Transport	11	23	26
453	Supplies and services	324	373	413
3	Capital charges	-	3	3
1,674		1,696	1,744	1,882
204	Less Income - fees and charges	-	17	-
-1,470	Costs allocated to services	-1,696	-1,727	-1,882
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Training and Development				
101	Employees	528	134	393
1	Transport	2	2	2
-	Supplies and services	25	11	12
102		555	147	407
-	Less Income - fees and charges	14	-	-
-102	Costs allocated to services	-541	-147	-407
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Corporate Services				
2,488	Employees	2,658	2,406	2,508
915	Premises	679	737	760
82	Transport	99	62	63
3,704	Supplies and services	3,734	3,361	3,759
476	Contract support services	470	474	478
1,196	Capital charges	132	426	426
8,861		7,772	7,466	7,994
42	Less Income - fees and charges	29	254	31
8,819		7,743	7,212	7,963
-8,030	Costs allocated to services	-6,914	-6,392	-7,111
-308	Costs allocated to democratic representation & management	-342	-351	-350
-481	Costs allocated to corporate management	-487	-469	-502
-	Net expenditure inc in Income and Expenditure Account	-	-	-
Corporate and Democratic Core				
308	Democratic representation & management	342	351	350
481	Corporate management	487	469	502
789	Net expenditure inc in Income and Expenditure Account	829	820	852

Actual 2008/09	Original 2009/10	Revised 2009/10	Budget 2010/11
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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.

703	Number of pensioners	738	726	734
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The 2010/11 budget is at November 2009 prices.

HAMPSHIRE FIRE & RESCUE AUTHORITY
REVENUE BUDGET

Actual 2008/09 £'000		Original 2009/10 £'000	Revised 2009/10 £'000	Budget 2010/11 £'000
CAPITAL ADJUSTMENT ACCOUNT				
-11,929	Reversal of depreciation net of deferred government grants released, amortisation and impairment of fixed assets	-1,365	-2,588	-2,588
554	Statutory provision for debt repayment	596	595	614
-	Deferred charges written down	-5	-	-
-11,375	Net expenditure inc in Income and Expenditure Account	-774	-1,993	-1,974
INTEREST PAYABLE AND RECEIVABLE				
74	Interest payable on bank balance	60	30	60
(1)	Interest receivable on bank balance	-	-	-
288	Interest on external loans	416	352	445
11	Finance lease interest payable	-	11	10
(9)	Finance lease interest receivable	-	-	-
NON DISTRIBUTED COSTS				
-	Non-distributed costs	-	-	-
PENSIONS ACCOUNT				
9,673	Pension Paid	10,532	10,668	11,205
4,264	Lump sums paid	1,020	4,390	3,155
284	Outwards Transfers	451	920	379
14,221		12,003	15,978	14,739
	Less income :			
2,520	Employee Contributions - 1992 scheme	2,378	2,403	2,407
376	Employee Contributions - 2006 scheme	483	461	482
4,869	Employer Contributions - 1992 scheme	4,756	4,643	4,650
486	Employer Contributions - 2006 scheme	624	596	624
-	Ill health charges	259	77	241
195	Inward Transfers	538	648	442
8,446		9,038	8,828	8,846
5,775	Deficit funded by DCLG grant	2,965	7,150	5,893

Section C – Capital

Capital schemes to the value of £3,030,000 are to start in 2010/11.

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

	09/10 £'000	10/11 £'000	11/12 £'000	12/13 £'000	13/14 £'000
Payments – existing commitments	4,216	4,185	100	-	-
Payments – proposed programme - 2010/11 – 2012/13 starts	-	2,001	4,045	3,401	823
Total payments	4,216	6,186	4,145	3,401	823
Financed by:					
Supported borrowing	1,186	1,863	550	1,316	93
Unsupported borrowing	-	1,687	-	-	-
Revenue contributions	953	730	691	730	730
Capital contributions	98	-	-	-	-
Capital grant	415	1,735	-	-	-
Capital payments reserve	750	-	-	-	-
Capital receipts	785	171	2,904	1,355	-
Finance lease	29	-	-	-	-
Total financing	4,216	6,186	4,145	3,401	823
Supported/unsupported(-) borrowing:					
Unused Balance 1 April	-697	-72	-1,759	-446	+101
Allocation (est. for 2011/12 onwards) *	1,811	1,863	1,863	1,863	-
Used in year	-1,186	-3,550	-550	-1,316	-93
Balance 31 March	-72	-1,759	-446	+101	+8

Proposed Capital Programme 2010/11 - 2012/13

Ref	Project Details	Latest Est.				
		Value	10/11	11/12	12/13	13/14
		£'000	£'000	£'000	£'000	£'000
2010/11 Starts						
10	Vehicles: 8 frontline appliances } Ancillary support vehicles } Off road firefighting vehicle } Multi role vehicle } Special Equipment Unit } Fire investigation unit } 2 Animal rescue units }	2,480	1,451	1,029		
11	Major building repairs	450	450			
12	Basingstoke Fire Station - feasibility study	100	100			
2011/12 Starts						
12	Vehicles: 9 pumping appliances } Ancillary support vehicles } Foam/water carrier } 2 Multi role vehicles } 2 off road vehicles } Aerial Ladder Platform }	3,287		2,566	721	
13	Major building repairs	450		450		
2012/13 Starts						
14	Vehicles: 8 pumping appliances } Ancillary support vehicles } Aerial Ladder Platform } Special Equipment Unit }	3,053			2,230	823
15	Major building repairs	450			450	
		10,270	2,001	4,045	3,401	823