

## TAYSIDE FIRE AND RESCUE BOARD

## REPORT BY THE CHIEF FIRE OFFICER AND ACTING TREASURER

30 JANUARY 2012

## REVENUE BUDGET FOR 2012/13

**Abstract**

This Report identifies Tayside Fire and Rescue's revenue budget for 2012/13.

**1 RECOMMENDATION**

It is recommended that Members approve the budget for running Tayside Fire and Rescue for 2012/13.

**2 INTRODUCTION**

- 2.1 This Report presents a one year revenue budget for 2012/13 based on the best information available at time of preparation. The detailed budget report (FB/12/01 refers) was approved by the Performance Monitoring Sub-Committee at its meeting on 16 January 2012.

There are five main elements to the provisional revenue budget which can be shown as follows:

	<b>£</b>
Staff Costs (excluding Pensions)	18,787,223
Net Pensions Expenditure	279,167
Running Costs	3,963,810
Capital Financing Costs	582,119
CFCR	175,500
Income (excluding Pensions)	<u>(203,500)</u>
<b>Net Budgeted Expenditure</b>	<b><u>23,584,319</u></b>

This revenue budget for 2012/13 represents a 2.3% reduction on the approved revenue budget for 2011/12. This approach was reached in collaboration with the constituent Councils to the Board.

- 2.2 A needs based revenue budget has been compiled including known cost pressures which the Board will require to address during 2012/13.

In the following section, a general explanation will be given regarding the treatment of the five main elements to the budget within 2012/13 and any assumptions which have been made.

**3 BUDGET ASSUMPTIONS 2012/13**

In arriving at the provisional 2012/13 revenue budget a number of assumptions were made with regard to future developments and cost pressures. These can be summarised as follows:

### 3.1 Staff Costs

- i. All operational personnel are assumed to receive no pay award for both 2011/12 and 2012/13.
- ii. All support staff are based on current establishments with uplifts for known 2012/13 increments and no pay award effective from 1 April 2012.
- iii. An increase has been made to the operational overtime budget to reflect operational requirements.
- iv. The provisional budget assumes £89,000 of savings from a senior management restructure which is subject to a separate report to the Board.

### 3.2 Pension Costs - Ill Health Retirals

Under the new financial arrangements ill-health pensions will be paid from Boards' pensions accounts. These charges will be met from a transfer from the Board's revenue account to the pensions account. The payment of a charge for each early ill-health retirement is required since medical retirement with immediate payment of a pension is more expensive for the pension scheme than the same firefighter leaving the service at that point with a pension deferred until the age of 60/65. A provision has been made in 2012/13 budget to cover 2 ill health retrials.

### 3.3 Running Costs

Any future cost pressures which may lead to an increased provision and which are known about, and, any possible savings have been included.

### 3.4 Capital Financed From Current Revenue (CFCR)

- 3.5 The two guiding principles of Tayside Fire and Rescue are the safety of our communities and the safety of our staff. In cognisance of this and as the last part of a long term strategy approved by the Board (Report FB/01/37 refers), funding is required to finance the completion of the upgrading of the training facilities at the Kingsway East Station to cater for specialist training. As a result of funding restrictions within the revenue account it has been necessary to reduce the budget for CFCR to £175,500 therefore it will be necessary to finance the completion of this project from the capital account. This is a £556,000 decrease on the 2011/12 provision.

### 3.6 Capital Financing Costs

As a result of estimates received from the Treasury Management Team within Perth and Kinross Council, adjustments have been made to the costs incurred within this category.

### 3.7 Income

A number of income elements have been decreased to reflect reduced income receivable in 2012/13.

## 5 **SUMMARY OF ADJUSTMENTS**

This provisional revenue budget for 2012/13 of £23,584,139 represents a 2.3% reduction from the approved budget for 2011/12 which was £24,139,994.

This was reached in collaboration with the constituent Councils to the Board.

## 6 **RESERVES BALANCE**

It should be noted that a Reserves Strategy has already been agreed by Tayside Fire and Rescue Board (Report No. FB/11/47 refers).

## 7 **CONSULTATION**

The Clerk has been consulted in the preparation of this Report.

## 8 **CONCLUSIONS**

In accordance with the agreement reached by the Performance Monitoring Sub-Committee, a budget has been developed which, after adjustments, would result in the following requisitions to the Board's constituent Councils:

	<b>£</b>
Angus Council	4,481,021
Dundee City Council	12,263,845
Perth & Kinross Council	6,839,453
<b>Total</b>	<b><u>23,584,319</u></b>

A detailed breakdown of the budget is shown in Appendix A.

S Hunter  
Chief Fire Officer

S MacKenzie  
Acting Treasurer

### **Background Papers**

No background papers, as defined in section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

Fire and Rescue Headquarters



**APPENDIX A**

**TAYSIDE FIRE AND RESCUE - FINAL REVENUE BUDGET**

	<b>2011/12 Approved Revenue Budget £</b>	<b>2012/13 Approved Revenue Budget £</b>	<b>Movement £</b>
Staff Costs	18,876,714	18,787,223	-89,491
Pension Costs	354,400	279,167	-75,233
Property Costs	1,308,404	1,402,365	93,961
Supplies and Services	1,752,465	1,683,192	-69,273
Transport Costs	799,703	873,453	73,750
Third Party Payments	4,800	4,800	0
Capital Financing Costs	1,371,508	757,619	-613,889
<b>Gross Budgeted Expenditure</b>	<b>24,467,994</b>	<b>23,787,819</b>	<b>-680,175</b>
Income	328,000	203,500	-124,500
<b>Net Budgeted Expenditure</b>	<b>24,139,994</b>	<b>23,584,319</b>	<b>-555,675</b>

