

# MERSEYSIDE FIRE AND RESCUE AUTHORITY

## BUDGET AUTHORITY MEETING

17<sup>TH</sup> FEBRUARY 2011

**PRESENT:** Councillors: Tony Newman, Jimmy Mahon, Dave Hanratty, Sharon Sullivan, Barbara Murray, Colin Strickland, Ted Grannell, Les Byrom, Denise Roberts, Linda Maloney, Robbie Ayres, Eddie Clein, Jimmy Kendrick, Andrew Blackburn, Steve Niblock, Martyn Barber, Leslie Rennie, Gerry Ellis and Carole Roberts

**ALSO PRESENT:** Independent Members Keith Pickup and Carole Roberts

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No apologies for absence were received.

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### 1. Preliminary Matters

The Authority considered if there were any declarations of interest, matters of urgency or items that may require the exclusion of the press and public because of the disclosure of exempt information.

- (a) No declarations of interest were made by any of the Members in relation to any item on the agenda.
- (b) No additional items of business were determined as a matter of urgency.
- (c) Item 8 of the Agenda was deemed confidential and therefore required the exclusion of the press and public due to the disclosure of exempt information.

### 2. Minutes of the Previous Meeting

The minutes of the previous meeting held on the 16<sup>th</sup> December 2010 were approved as a correct record and signed accordingly by the Chair.

**It was agreed to consider Items 3 and 4 of the Agenda together.**

**3. Financial Review 2010/11 – April to December Review**  
(CFO/015/11)

Members considered Report CFO/015/11 of the Assistant Chief Executive & Treasurer concerning the financial position, both revenue and capital for the Authority for 2010/11.

**Members Resolved that:-**

- (a) the 2010/11 budget variations identified in the Report be approved.
- (b) the use of the forecast underspend of £3.400 million to increase reserves, in line with the Authorities agreed strategy as outlined in the Report be approved.
- (c) the Assistant Chief Executive & Treasurer be instructed to continue to work with budget managers to maximise savings in 2010/11.

**4. MFRA Budget and Financial Plan 2011/12 – 2015/16**  
(CFO/016/11)

Members considered Report CFO/016/11 of the Assistant Chief Executive & Treasurer concerning information that will allow the Authority to determine a budget for 2011/12.

Members considered the draft budget resolution as proposed by the Labour Group.

Councillor Niblock moved to suspend Standing Orders to allow for further additional proposals to be put forward by the Liberal Democrat Group for consideration.

This motion was seconded by Councillor Blackburn and the matter went to the vote:-

<b>7 MEMBERS VOTED FOR</b>	<b>11 MEMBERS VOTED AGAINST</b>
Councillor Steve Niblock Councillor Eddie Clein Councillor Jimmy Kendrick Councillor Andrew Blackburn Councillor Lesley Rennie Councillor Martyn Barber Councillor Gerry Ellis	Councillor Tony Newman Councillor Jimmy Mahon Councillor Dave Hanratty Councillor Sharon Sullivan Councillor Barbara Murray Councillor Ted Grannell Councillor Colin Strickland Councillor Les Byrom Councillor Denise Roberts Councillor Linda Maloney Councillor Robbie Ayres

As such, the Liberal Democrat Group proposal to suspend Standing Orders to allow additional proposals to be considered, was not carried.

The original budget proposal put forward by the Labour Group was then formally proposed by Councillor Hanratty.

The proposal was seconded by Councillor Mahon and the matter went to the vote:

<b>14 MEMBERS FOR</b>	<b>0 MEMBERS AGAINST</b>	<b>4 MEMBERS ABSTAINED</b>
Councillor Tony Newman Councillor Jimmy Mahon Councillor Dave Hanratty Councillor Sharon Sullivan Councillor Barbara Murray Councillor Ted Grannell Councillor Colin Strickland Councillor Les Byrom Councillor Denise Roberts Councillor Linda Maloney Councillor Robbie Ayres Councillor Lesley Rennie Councillor Martyn Barber Councillor Gerry Ellis		Councillor Steve Niblock Councillor Andrew Blackburn Councillor Eddie Clein Councillor Jimmy Kendrick

Following in depth discussion around the difficulties and pressures that the Authority are under due to the Government Grant cuts.

Members Resolved that:

- (a) they wished to place on record their thanks and appreciation to everyone who works for Merseyside Fire and Rescue Authority and for the dedication they have shown towards providing an excellent service, ensuring that they community of Merseyside are safe;
- (b) Government be further lobbied regarding the Government Grant cuts;
- (c) That any potential future savings through retirement or redundancy be brought back to the full Authority;
- (d) To approve the proposed Budget resolution as follows.

**Merseyside Fire and Rescue Authority Budget and Medium Term Financial Plan Resolution 2011/2012- 2015/16**

## **Resolution Summary**

Despite its excellent performance Merseyside Fire and Rescue Authority has received the worst grant cut from central government in the country – a reduction of 13% over the next two years.

The grant settlement seems inequitable and sees some Fire Authorities actually receiving grant increases in the next two years

These drastic cuts from central government mean that the Authority has to make tough choices.

The Authority has set a financial plan that delivers the £9.0m cut required by government over the next two years.

It has had to reduce staff numbers by 173 over the next two years.

- Firefighter reductions will be achieved by natural retirements
- It is hoped that voluntary severance and other means will allow the avoidance of compulsory redundancy amongst non-uniform staff

The reduction in management and support staff numbers is much higher at 20% than in front line areas (10% reduction in those areas)

The Authority has a financial plan that as far as possible maintains the front line response and service to the people of Merseyside.

Despite the severe cuts from government the Authority recognises the pressures on the communities of Merseyside and has frozen its Council Tax at £64.77 for a band D property (18p per day).

Most taxpayers in Merseyside are in Band A and will pay £43.18 for their Fire and Rescue Service (Only 12p per day).

The Authority is seriously concerned about the announcement that this first phase of cuts represents only one third of cuts for Fire and Rescue Services. If Government follows through with this announcement (based upon how poorly the Authority has done in years 1 and 2) then years 3 and 4 of the spending review would see savage cuts in fire cover across Merseyside unless government awards grants more fairly or council tax payers in Merseyside are willing to pay more for their Fire and Rescue Service.

## Summary of the Challenge

1. The Authority has for many years maintained a robust financial plan and stuck to its value for money principles and in particular controlled council tax levels despite (in the last ten years) having to make major savings and structural changes because of government grant cuts.
2. Despite the financial pressures that have led it to (by some way) making the most efficiencies of any Fire and Rescue Service in the country, the Authority has managed to significantly improve the safety of the community of Merseyside and achieve more for less. This has resulted in the following reductions in the impact of fire since 2003/04:-

• Accidental Dwelling Fires	-19%
• Injuries in ADF's	-32%
• Fire Deaths*	-60%*
• ASB Fires	-61%
• Deliberate Fires	-54%

*(fire deaths based on change since 1999-2000)*

3. Despite this excellent performance the Authority has received the worst grant cut from central government in the country – a reduction of 13% over the next two years.
4. The Authority is saddened by the inequity of the settlement that sees some Fire Authorities receiving grant increases in the next two years bigger than Merseyside has in total over the last three years.
5. Because of the dramatic efficiencies the Authority has already introduced:-
  - Cutting management costs
  - Reducing support services
  - Reducing firefighter numbers from over 1500 to 880

This means the Authority's room for manoeuvre in dealing with further financial challenge is limited.

6. These drastic cuts from central government mean that the Authority has to make tough choices.
7. The Authority also notes that the financial cuts for Fire and Rescue Services for years 2013/14 and 2014/15 are expected to be twice as high as those applied in years 1 and 2. Even if the Authority does as well as the national average in those years the cuts will be very severe – up to £16.7m - unless additional funding can be found. If the Authority does as badly in years 3 and 4 as it has in years 1 and 2 compared to the national average it will be worse still requiring savings of up to £23.1m.

8. Despite these likely challenges the Authority is keen to keep to its Value For Money principles if at all possible:-
- It is investing in line with its priorities
  - It is investing to maintain or improve services to make Merseyside a safer stronger, healthier community
  - It is committed to controlling council tax levels to below 4% increases despite budget challenges
  - It acknowledges the realities of the budget challenges it faces and plans prudently and strategically if it wishes to avoid compulsory redundancy

### **Dealing with the Government Cuts – A Two Phase Approach**

9. The Authority will adopt a two phase approach to the cuts that are required with the following strategy:-

**(a) 2011 – 2013 – Years 1 & 2**

Develop a robust savings plan for 2011/12 and 2012/13 which would balance the budget for those years by making cuts totalling £9.2m.

**(b) 2013-2015 - Years 3 & 4**

Adopt a lobbying strategy for 2013/14 and 2014/15 (in conjunction with other Metropolitan Fire and Rescue Services) with a view to minimising the level of grant cuts noting that the Government intends a “Resource Review” which will examine how local authorities are funded.

Depending upon the success of that lobby the Authority would face a stark choice between substantial service reductions or large-scale local taxation increases.

The Authority is concerned that Phase two of the cuts might be that severe that public safety may be compromised and that legislative review of the impacts may be required.

The Authority will in conjunction with the community choose its strategy regarding the balance between taxation and cuts for Phase 2.

### **Dealing with the Government Cuts – Phase 1**

10. In order to balance the first phase of the financial plan the Authority will adopt the following strategy:-
- Despite the severe cuts imposed by government the Authority recognises the financial pressures on local people and will move away from its financial strategy by freezing council tax for 2011/12;

- Assume that central governments pay strategy for all staff can be achieved and assume a pay freeze for staff in line with that strategy for a three year period;
- The Authority will focus its search for efficiencies on management and back office costs and assume that savings of £2.450million can be generated from that area;
- Reduce staffing in MACC to save £0.4m;
- Introduce efficiencies in front line staffing that minimise the impact on front line services by –
  - Introducing a new duty system for the Marine Rescue team
  - Managing more effectively the dynamic reserve
  - Introducing a new duty system at Whiston

Overall these 'front line' options will save £3.350m.

11. Note that these savings options represent a 20% reduction in managerial and back office roles and a 10% reduction in wholetime firefighter roles – a total reduction of 173.5 posts.
12. The savings assumed above include an assumption that Fire Authority members will themselves contribute to the challenge by working with member services to:
  - (a) Freeze Members allowances for the next year;
  - (b) Ensure that all travel and visits are only undertaken when they are necessary to add value to delivering the Authorities Vision for a stronger, safer, healthier community;
  - (c) Ensure that all accommodation and travel are booked in the most efficient and cost effective way possible.
13. Noting that the reduction in firefighter numbers will be achieved by natural retirement rates and will therefore take three years to deliver in full.
14. Noting that there is a considerable risk that the Authority's aspiration to avoid compulsory redundancy may be compromised because of the reductions in non-uniformed staff, therefore instruct the Chief Fire Officer to use voluntary severance and early retirement in line with Authority policy to as far as possible achieve savings delivery by voluntary means.

15. Appendix 2 and 3 outline the proposed Financial Plan for 2011/12 to 2015/16 based on a scenarios that assume:-
- (i) The grant settlement in year 3 & 4 that is no worse than the national average; and
  - (ii) That the grant settlement in year 3 & 4 is as bad as that received in year 1 & 2.

The Authority is seriously concerned about the announcement that this first phase of cuts represents only one third of cuts for Fire and Rescue Services. If Government follows through with this announcement (based upon how poorly the Authority has done in years 1 and 2) then years 3 and 4 of the spending review would see savage cuts in fire cover across Merseyside unless government awards grants more fairly or council tax payers in Merseyside are willing to pay more for their Fire and Rescue Service.

16. The Authority agrees to update its IRMP to reflect this financial plan.
17. In order to reflect the urgency of delivering such a challenging range of budget options the Authority requests the Chief Fire officer to begin consultation at the appropriate time for each option and to report back on the results of consultation in each case.

### **Council Tax**

18. The budget represents **a council tax freeze for 2011/12**, which is within the Authority's long term ambition to control council tax.

The impact of the budget on council tax will be a **Band D Council Tax of £64.77**.

Most people in Merseyside will pay **Band A Council Tax of £43.18**.

### **Reserves**

19. The Authority has prudently planned to meet its financial challenges over the medium term. The plan the Authority proposes is based upon the key assumptions around changes to grant, pay, tax and pension costs.
20. The Authority recognises that there are substantial risks associated with these assumptions and that, particularly in light of the significant economic turmoil; it is not unreasonable to expect a significant degree of financial uncertainty and risk which will vary across the life of the financial plan. The Authority will therefore set a medium term financial plan based upon these key assumptions recognising that it may need to vary that plan to cope with changes arising.
21. In light of the risks within the financial plan the Authority therefore agrees to maintain the reserves as set out in Appendix A to this resolution and in particular maintain a general revenue reserve of £2.5million.



- In addition maintain Earmarked Reserves specifically for the following risks:

• Inflation	£2m
• Costs Smoothing	£3m
• Severance Costs	£3m
• Capital/PFI	£2m

Noting that the financial plan assumes the use of at least £2.2m of the Costs Smoothing Reserve and that the Severance Reserve is expected to be fully used up over the next two years as part of the Authority's aim to avoid compulsory redundancy.

- So that the Authority can manage its resources prudently and continue to avoid compulsory redundancy it instructs the Assistant Chief Executive and Treasurer to look for opportunities to increase the Authority's reserves in 2011/12 and 2012/13 so that it can use such sums as part of prudent medium term strategy. If any such sums set aside are subsequently no longer required they will be reinvested in the service at the earliest opportunity.
- In particular the Authority is aware that it may have to go further than the efficiencies proposed in this financial plan for years 3 and 4. The Authority is concerned that if that were the case it is likely that it would have to vary the cover and response levels to communities of Merseyside on a risk basis and would face significantly more challenging decisions in maintaining an excellent service to Merseyside.

### **Capital Programme**

22. The Authority approves the Capital programme as set out in CFO/016/11 which includes a total investment of over £31.953 million over 2011/12 – 2015/16 period. The programme for 2011/12 shall be approved as £9.735million:-

- The Authority notes the prudential indicators that this programme produces and recognises that the proposed capital investment programme is prudent, sustainable and the borrowing affordable. This programme makes use of the freedoms available to the Authority under the prudential regime and proposes 'prudential' borrowing of £7.839million part of a total borrowing of £5.278million across the life of the plan.

23. In the light of the capital programme and the prudential indicators agree the Treasury Management Strategy and the indicators set out in that strategy for:-

- (i) External Debt
- (ii) Operational Boundary for Debt
- (iii) Upper limits on fixed interest rate exposure
- (iv) Upper limits on variable rate exposure
- (v) Limits on the maturity structure of debt
- (vi) Limits on investments for more than 364 days

## **Basic calculations**

24. Following consideration of the report of the Assistant Chief Executive and Treasurer (CFO/015/11 and CFO/016/11) and having taken into account views expressed in consultations, and all other relevant matters, pursuant to the Local Government Finance Act 1992 (the Act), the Authority determines its budget requirement for the financial year 2011/12 as follows.
25. Approves the capital expenditure programme for the financial year 2011/12 for the total of £9.735million as set out in report CFO/016/11 and the five year programme totalling investment of £31.953 million, and in this respect notes the advice of the Assistant Chief Executive and Treasurer that the programme is prudent, sustainable and the borrowing affordable.
26.
  - (a) calculates the expenditure which it estimates it will incur in the financial year 2011/12 in performing its functions and will charge to the revenue account (other than deficits and surpluses on collection funds) under s43 (2) (a) of the Act as £70.557 million.
  - (b) calculates the allowance as the Authority estimates will be appropriate for contingencies in relation to expenditure to be charged to the revenue account for 2011/12 under s43(2) (b) of the Act as £ nil.
  - (c) calculates the financial reserves which the Authority estimates will be appropriate to raise in the year for meeting its estimated future expenditure for 2011/12 under s 43 (2) 9(c) of the Act as £ nil.
  - (d) calculates the financial reserves as are sufficient to meet so much of the amount estimated by the Authority to be a revenue account deficit for any earlier financial year that has not already been provided for under s 43(2)(d) of the Act as £ nil.
27. calculates the aggregate of sums which it estimates will be payable to it for the financial year 2011/12 which are credited to the revenue account (other than revenue support grants, additional grants, relevant special grants, and precepts) and of the amount of financial reserves that the Authority estimates it will use in respect of revenue expenditure and contingencies for the year 2011/12 pursuant to s43 (3) of the Act as £1.457million.
28. calculates the difference between the aggregate of the sums specified in paragraph 24. above (expenditure) and the sums specified in paragraph 25. (non grant or precept income) as £69.100million pursuant to s43 (4) of the Act and accordingly determines this sum as its budget requirement for the financial year 2011/12.
29. The Authority calculates the basic amount of its council tax pursuant to s44 of the Act as £64.77 (i.e. the budget requirement less grant income from central government divided by the aggregate of council tax bases of the constituent district councils).

30. The Authority calculates the council tax sums pursuant to s 47 of the Act as follows:-

2011/12	Property Band	Increase
£		£
£43.18	For properties in Band A	0.00
£50.38	For properties in Band B	0.00
£57.57	For properties in Band C	0.00
£64.77	For properties in Band D	0.00
£79.16	For properties in Band E	0.00
£93.56	For properties in Band F	0.00
£107.95	For properties in Band G	0.00
£129.54	For properties in Band H	0.00

31. The Authority calculates the precept amounts payable by each constituent district council pursuant to s48 of the Act as follows:-

PRECEPT		AUTHORITY
£		
8,057,129	Payable by	LIVERPOOL
6,793,013	Payable by	WIRRAL
3,634,245	Payable by	ST.HELENS
6,028,527	Payable by	SEFTON
2,729,019	Payable by	KNOWSLEY
27,241,933		

32. The Authority requests the Assistant Chief Executive and Treasurer to arrange for precepts to be issued to the constituent district councils pursuant to s 40 of the Act before 1<sup>st</sup> March 2011, such sums to be payable by 10 equal instalments on or before the following dates:-

21st April 2011  
 3rd June 2011  
 11th July 2011  
 16th August 2011  
 22nd September 2011  
 28th October 2011  
 5th December 2011  
 11th January 2012  
 14th February 2012  
 16th March 2012

33. The Authority notes that the Assistant Chief Executive and Treasurer has advised that the 2011/12 budget is based upon robust estimates.

## APPENDIX 1

### Analysis of Forecast Reserves over 2011/16 Period

#### Appendix 1

	31.12.10	31.03.11	31.03.12	31.03.13	31.03.14	31.03.15	31.03.16
	£'000		£'000	£'000	£'000	£'000	£'000
<b>SPATE / Other Emergencies</b>							
Bellwin Reserve	147	147	147	147	147	147	147
Insurance Reserve	220	220	220	220	220	220	220
Emergency planning	75	75	75	75	75	75	75
<b>Smoothing Reserve</b>							
FB Modernisation Reserve	488	0	0	0	0	0	0
Smoothing Reserve	4,611	3,003	3,003	1,546	741	741	741
Approved Use in 10/11 plan			-535	-278	0	0	0
Additional require 11/12			-922	-527			
Bal Smoothing C/fwd	5,099	3,003	1,546	741	741	741	741
<b>Capital Investment</b>							
PFI/Capital Reserve	646	2,000	2,000	2,000	2,000	2,000	2,000
<b>Inflation</b>							
Inflation Reserve	858	2,000	2,000	2,000	2,000	2,000	2,000
<b>Severance Reserve</b>							
	0	3,000	3,000	3,000	3,000	3,000	3,000
<b>Specific Projects</b>							
Fireboots/Clothing Reserve	138	138	0	0	0	0	0
Equipment Reserve	31	31	0	0	0	0	0
Contestable Research Fund	27	27	0	0	0	0	0
Training Reserve	93	93	0	0	0	0	0
Pre Retirement reserve	175	175	0	0	0	0	0
Job Evaluation Reserve	230	230	0	0	0	0	0
Regional Reserve	100	100	0	0	0	0	0
Information Systems Reserve	20	20	0	0	0	0	0
Healthy Living/Olympic Legacy	96	96	0	0	0	0	0
Health & Safety Reserve	39	39	0	0	0	0	0
Capital expenditure Reserve	9	9	0	0	0	0	0
TDA Refurbishment Reserve	61	61	0	0	0	0	0
<b>Total Earmarked Reserves</b>	<b>8,064</b>	<b>11,464</b>	<b>8,988</b>	<b>8,183</b>	<b>8,183</b>	<b>8,183</b>	<b>8,183</b>
<b>General revenue Reserve</b>	<b>2,544</b>	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>	<b>2,543</b>
<b>Total reserves</b>	<b>10,608</b>	<b>14,007</b>	<b>11,531</b>	<b>10,726</b>	<b>10,726</b>	<b>10,726</b>	<b>10,726</b>

Note: The above takes no account of any required movement on reserves except the known smoothing reserve adjustment.

## APPENDIX 2

### Proposed 2011/12 - 2015/16 Financial Plan

<b>Grant settlement Year 3 &amp; 4 no worse than the national average of -5.75% in each year</b>					
	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000
<b>EXPENDITURE</b>					
<b>Original</b>	76,103	77,924	79,788	81,997	81,997
<b>Capital Programme / Funding Changes:</b>					
Revised Minimum Revenue Provision (MRP)	80	96	66	-283	-111
Required increase in MRP to reflect capital scheme additions	8	32	39	42	145
Impact of Govt increase in PWLD (loan) interest rates	169	215	254	299	349
Impact of Govt decision of No supported capital	178	357	546	1,082	1,112
<b>Total Capital Programme / Funding Changes:</b>	435	700	905	1,140	1,495
<b>Technical &amp; Other Required Changes:</b>					
Impact on Investment Income (lower interest rates)	200	200	100	100	100
2015/16 Inflation Provision					1,500
<b>Technical &amp; Other Required Changes:</b>	200	200	100	100	1,600
<b>Revised Budget Assumptions</b>					
Remove future years contribution to Smoothing Reserve in previous plan	0	0	-74	-18	-18
<b>MOVEMENT From ORIGINAL Plan</b>	635	900	931	1,222	3,077
<b>Proposed Budget Solution for Phase 1:</b>					
<b>Support Services / Management Costs:</b>					
Assume Pay Bill Freeze 2010/11	-1,000	-1,000	-1,000	-1,000	-1,000
Assume Pay Bill Freeze 2011/12	-1,000	-1,000	-1,000	-1,000	-1,000
Assume Pay Bill Freeze 2012/13		-1,000	-1,000	-1,000	-1,000
Reduce Senior Management Costs	-200	-400	-400	-400	-400
Outsource Estates function		-250	-250	-250	-250
MACC Review	-200	-400	-400	-400	-400
Reduction in Support Service Costs	-900	-1,300	-1,300	-1,300	-1,300
Rephasing of Vehicles Capital Programme		-100	-100	-100	-100
Review of Capital Programme Financing	-400	-400	-400	-400	-400
<b>Front Line Efficiencies (minimum impact on service)</b>					
Manage dynamic reserve more effectively	-1,800	-2,300	-2,950	-2,950	-2,950
Flexible Shift Patterns at Whiston		-300	-300	-300	-300
Flexible Shift Patterns at Marine 1		-75	-100	-100	-100
Use smoothing reserve	-1,457	-805			
<b>Updated MTFP for 2011/12 - 2015/16</b>	69,781	69,494	71,519	74,019	75,874
<b>FUNDING</b>					
<b>Government Grant</b>	-41,906	-40,481	-37,816	-35,154	-35,857
<b>Council Tax</b>	-27,242	-28,332	-29,465	-30,644	-31,869
Collection fund deficit	48				
<b>Council Tax Freeze Grant</b>	-681	-681	-681	-681	0
<b>Forecast Income in Financial Plan</b>	-69,781	-69,494	-67,962	-66,479	-67,726
<b>Forecast position (surplus) / deficit</b>	0	0	3,557	7,540	8,148
<b>Phase 2</b>					
Additional Saving Options & Income Requirement to be developed	0	0	-3,557	-7,540	-8,148
<b>Phase 2 Forecast position (surplus) / deficit</b>	0	0	0	0	0

## APPENDIX 3

### Proposed 2011/12 - 2015/16 Financial Plan

Grant settlement Year 3 & 4 as bad as Year 1 & 2 , -12.58% in each year					
	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000
<b>EXPENDITURE</b>					
Original	76,103	77,924	79,788	81,997	81,997
<b>Capital Programme / Funding Changes:</b>					
Revised Minimum Revenue Provision (MRP)	80	96	66	-283	-111
Required increase in MRP to reflect capital scheme additions	8	32	39	42	145
Impact of Govt increase in PWLD (loan) interest rates	169	215	254	299	349
Impact of Govt decision of No supported capital	178	357	546	1,082	1,112
<b>Total Capital Programme / Funding Changes:</b>	435	700	905	1,140	1,495
<b>Technical &amp; Other Required Changes:</b>					
Impact on Investment Income (lower interest rates)	200	200	100	100	100
2015/16 Inflation Provision					1,500
<b>Technical &amp; Other Required Changes:</b>	200	200	100	100	1,600
<b>Revised Budget Assumptions</b>					
Remove future years contribution to Smoothing Reserve in previous plan	0	0	-74	-18	-18
<b>MOVEMENT From ORIGINAL Plan</b>	<b>635</b>	<b>900</b>	<b>931</b>	<b>1,222</b>	<b>3,077</b>
<b>Proposed Budget Solution for Phase 1:</b>					
<b>Support Services / Management Costs:</b>					
Assume Pay Bill Freeze 2010/11	-1,000	-1,000	-1,000	-1,000	-1,000
Assume Pay Bill Freeze 2011/12	-1,000	-1,000	-1,000	-1,000	-1,000
Assume Pay Bill Freeze 2012/13		-1,000	-1,000	-1,000	-1,000
Reduce Senior Management Costs	-200	-400	-400	-400	-400
Outsource Estates function		-250	-250	-250	-250
MACC Review	-200	-400	-400	-400	-400
Reduction in Support Service Costs	-900	-1,300	-1,300	-1,300	-1,300
Rephasing of Vehicles Capital Programme		-100	-100	-100	-100
Review of Capital Programme Financing	-400	-400	-400	-400	-400
<b>Front Line Efficiencies (minimum impact on service)</b>					
Manage dynamic reserve more effectively	-1,800	-2,300	-2,950	-2,950	-2,950
Flexible Shift Patterns at Whiston		-300	-300	-300	-300
Flexible Shift Patterns at Marine 1		-75	-100	-100	-100
Use smoothing reserve	-1,457	-805			
<b>Updated MTFP for 2011/12 - 2015/16</b>	<b>69,781</b>	<b>69,494</b>	<b>71,519</b>	<b>74,019</b>	<b>75,874</b>
<b>FUNDING</b>					
<b>Government Grant</b>	<b>-41,906</b>	<b>-40,481</b>	<b>-34,654</b>	<b>-28,829</b>	<b>-29,406</b>
<b>Council Tax</b>	<b>-27,242</b>	<b>-28,332</b>	<b>-29,465</b>	<b>-30,644</b>	<b>-31,869</b>
Collection fund deficit	48				
<b>Council Tax Freeze Grant</b>	<b>-681</b>	<b>-681</b>	<b>-681</b>	<b>-681</b>	<b>0</b>
<b>Forecast Income in Financial Plan</b>	<b>-69,781</b>	<b>-69,494</b>	<b>-64,800</b>	<b>-60,154</b>	<b>-61,275</b>
<b>Forecast position (surplus) / deficit</b>	<b>0</b>	<b>0</b>	<b>6,719</b>	<b>13,865</b>	<b>14,599</b>
<b>Phase 2</b>					
<b>Additional Saving Options &amp; Income Requirement to be developed</b>	<b>0</b>	<b>0</b>	<b>-6,719</b>	<b>-13,865</b>	<b>-14,599</b>
<b>Phase 2 Forecast position (surplus) / deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**5. Post Consultation Report IRMP 2011/14 AND Service Plan Extract: IRMP Action Plan 2011/12**  
(CFO/017/11)

Members considered Report CFO/017/11 of the Assistant Chief Executive & Treasurer concerning publication of the final post consultation version of the integrated Risk Management Plan 2011/14 and Service Plan extract Integrated Risk Management Plan, Action Plan 2011/12.

**Members Resolved:**

- (a) To approve for publication, the Integrated Risk Management Plan 2011/14 and associated Action Plan for 2011/12 which is to be included in the Service Plan which is to be published separately on 1st April 2011.
- (b) To approve that responses to consultation are adequately reflected within the Integrated Risk Management Plan 2011/14 and associated Action Plan for 2011/12.
- (c) To approve the Chief Fire Officer to exercise his delegated authority to begin consultation with relevant Representative Bodies regarding specific elements of the IRMP and report back to the Authority on the outcome of that consultation.

**6. Voluntary Severance**  
(CFO/019/11)

Members considered Report CFO/019/11 of the Deputy Chief Executive & Deputy Chief Fire Officer concerning the proposed voluntary severance package.

**Members Resolved:**

- (a) To note and endorse the proposed time limited voluntary severance package.
- (b) To endorse the previously agreed process of the Chief Executive & Chief Fire Officer reporting the outcome of this investigation, including full financial implications.
- (c) To note the successful conclusion of consultation with Trade Unions regarding redundancy and redeployment.
- (e) That all Members receive a copy of the draft letter, for their feedback, before it is sent out to Staff.



**7. Values Based Appraisals**  
(CFO/020/11)

Members considered Report CF0/020/11 of the Deputy Chief Executive & Deputy Chief Fire Officer concerning implementation of the Values Based Performance and Development Review across the Service.

**Members Resolved:**

- (a) To note the conclusion of the Consultation process.
- (b) To ratify the implementation of the Values Based Performance and Development Review across the Service.

**8. EXEMPT ITEM**

***This Minute is EXEMPT under Paragraph 4 of Part 1 of Schedule 12A to the Local Government Act 1972.***