

15 January 2008

REPORT TITLE: Revised Budget for 2007/08 and original budget for 2008/09

REPORTING OFFICER: Treasurer

REPORT NO: NW/09/08

Purpose:

To present formally and seek approval for the Budget for the Management Board for the remainder of 2007/08 and 2008/09

Recommendations:

1. That the Board approve the changes made to the Budget for 2007/08;
2. That the Board approve the Budget for 2008/09;
3. That the Board note the position regarding the announcement of New Burdens funding for 2008/09.

Information:

4. The proposed budget (revised) for 2007/08 is set out at Appendix 1. This budget for 2007/08 takes into account changes in year in the areas of work being undertaken by the Board within its constituent Fire and Rescue Authorities.
5. Members are asked to note that much additional work supporting the aims and objectives of the Management Board goes on within constituent Authorities, at no additional cost to the Management Board.
6. The proposed budget for 2008/09 is set out at Appendix 2. The budget for 2008/09 has been set based on information that is currently available and there is a separate report on this agenda which addresses the issues for Regional Management Boards in the draft National Framework for 2008-2011.

7. Members are asked to note that the New Burdens grants payable by CLG for the Regional Control project have not yet been announced for 2008/09, but they are imminent. In the absence of this information, it is proposed base the budget on known requirements, particularly given the tight financial settlements a number of authorities have experienced.
8. Members are asked to note that once all of the New Burdens grants for 2008/09 have been announced (which are imminent), a further report will be made to the Management Board.
9. Members will be aware that the Board to date has been required to meet Government requirements to work collaboratively in a number of areas and the underlying assumptions relating to the budgets are set out in the following paragraphs:
 - a. Regional Control project
 - b. Effective Resilience Plans for Large Scale Emergencies
 - c. Procurement
 - d. Human Resources
 - e. Training
 - f. Common and Specialist Services

Regional Control project

10. Members will be aware that the Regional Control project is currently funded by CLG by New Burdens grants payable to each constituent Authorities for the transitional activities associated with the project, and also a grant payable to Greater Manchester Fire and Rescue Authority on behalf of the Management Board to fund the project management costs associated with the Regional Control project.
11. There is a shift in emphasis in the draft National Framework with the creation of the Local Authority Controlled Companies and the transition work now being planned by individual fire and rescue authorities. Whilst the project will continue to be of interest to the Board it is not proposed to have a separate budget for this activity.
12. Members are asked to note that the details of these grants in 2008/09 have not yet been announced, but that a further report will be made by the Treasurer once this position becomes clearer.

Effective Resilience Plans for Large Scale Emergencies

13. The regional arrangements have been in place for some time and have been used extensively through the summer period on various flooding emergencies around the country. Work is in hand nationally to resolve asset transfer, ownership and liability issues, and funding at the present time (Long Term Capability Management). The Board will be kept apprised of developments.

Procurement

14. The Management Board commissioned PricewaterhouseCoopers to undertake a review of procurement and logistic arrangements across the North West. This review has now been completed with a 50% funding contribution from the North West Centre of Excellence, and the balance shared amongst the constituent Authorities.
15. The review identified numerous areas of best practice as well as some improvement opportunities. A number of options were considered by the Procurement Officers Group and following extensive discussion it was jointly agreed that the most appropriate way forward was to secure additional support to share and embed best practice within the region, and a separate report is included on this agenda which sets out the way forward.
16. There is continuing uncertainty over the role of Firebuy in future procurements and following a consultation exercise last summer a further consultation paper has been published seeking to establish a way forward. Members will have been advised of significant cost increases for fire appliances beyond that which was reasonably foreseen and officers have fed back to Firebuy their concerns.
17. The outcome of the Integrated Clothing Project is still unclear and the North West are currently awaiting formal clarification over the legal frameworks which govern the contracts and the firm costs of provision of each element of work wear and personal protective equipment (PPE). The North West currently has in place a number of very competitive contracts for most elements of PPE and is assessing the optimum way forward once the Firebuy response has been received.

Training and Human Resources

18. There is no specific budget required for this activity but there is extensive activity within the region sharing best practice, training facilities and collaboration on recruit training eg a number of Greater Manchester recruits have been trained at Merseyside for the last two years.

Common and Specialist Services

19. This is a generic heading for much of the collaborative work which is undertaken in the region on a day to day basis, but there are no specific budget requirements and if there were this would be on a business case basis.

Board Support Arrangements

20. Merseyside FRS continue to provide the secretariat to the Board and there is an appropriate budget in place to reimburse Merseyside FRS for their costs, with individual authorities retaining responsibility for allowances, attending regional meetings and associated work of the Board.

Business Change Manager

21. This post is being funded by the North West Fire and Rescue Authorities directly through their own budgets, rather than through the Management Board, therefore no budget is required.

APPENDIX 3 (CFO/52/08)

Appendix 1

ORIGINAL ESTIMATE 2007/08

	No Members	Net Contribution Per Project								
		Admin & Audit Costs	Control Room	Training	HR/IPDS	Procurement	Common Services	Resilience	Business Change Manager	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cheshire	3	5.25	0.00	15.00	0.00	4.50	0.00	0.00	11.25	36.00
Cumbria	1	1.75	0.00	5.00	0.00	1.50	0.00	0.00	3.75	12.00
Greater Manchester	8	14.00	0.00	40.00	0.00	12.00	0.00	0.00	30.00	96.00
Lancashire	4	7.00	0.00	20.00	0.00	6.00	0.00	0.00	15.00	48.00
Merseyside	4	7.00	0.00	20.00	0.00	6.00	0.00	0.00	15.00	48.00
Total Agreed Budget	20	35.00	0.00	100.00	0.00	30.00	0.00	0.00	75.00	240.00

Please note comments in main report and the future potential resource implications which will arise and require additional funding.

REVISED ESTIMATE 2007/08

	No Members	Net Contribution Per Project								
		Admin & Audit Costs	Control Room	Training	HR/IPDS	Procurement	Common Services	Resilience	Business Change Manager	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cheshire	3	5.25	0.00	0.00	0.00	4.50	0.00	0.00	0.00	9.75
Cumbria	1	1.75	0.00	0.00	0.00	1.50	0.00	0.00	0.00	3.25
Greater Manchester	8	14.00	0.00	0.00	0.00	12.00	0.00	0.00	0.00	26.00
Lancashire	4	7.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	13.00
Merseyside	4	7.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	13.00
Total Agreed Budget	20	35.00	0.00	0.00	0.00	30.00	0.00	0.00	0.00	65.00

Please note comments in main report and the future potential resource implications which will arise and require additional funding.

Appendix 2

ORIGINAL ESTIMATE 2008/09

	No Members	Net Contribution Per Project								
		Admin & Audit Costs	Control Room	Training	HR/IPDS	Procurement	Common Services	Resilience	Business Change Manager	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cheshire	3	6.00	0.00	0.00	0.00	7.50	0.00	0.00	0.00	13.50
Cumbria	1	2.00	0.00	0.00	0.00	2.50	0.00	0.00	0.00	4.50
Greater Manchester	8	16.00	0.00	0.00	0.00	20.00	0.00	0.00	0.00	36.00
Lancashire	4	8.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	18.00
Merseyside	4	8.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	18.00
Total Agreed Budget	20	40.00	0.00	0.00	0.00	50.00	0.00	0.00	0.00	90.00

Please note comments in main report and the future potential resource implications which will arise and require additional funding.