



Budget Strategy for 2015/2016 and Medium Term Financial Plan for 2015/19

Approved by the Authority for consultation on 12 December 2014

At its meeting on 12 December 2014, the Fire Authority considered the draft Budget Strategy for 2015/16 and Medium Term Financial Plan for 2015/19.

A copy of the full paper presented to Members follows, for your information and consideration.

The Authority would value your comments and suggestions in relation to its budget proposals. The Authority is scheduled to meet on 6 February 2015 to finalise the budget and set its Council Tax and precepts for 2015/16. In order for your response to be fully considered and taken into account in preparing the final budget report, I would be grateful to hear from you by no later than Friday 9 January 2015.

Please send your responses to: theclerk@avonfire.gov.uk

Yours sincerely

Geraldine Gee
Clerk to the Fire Authority

AVON FIRE AUTHORITY

MEETING:	AVON FIRE AUTHORITY
MEETING DATE:	12th December 2014
REPORT OF:	Treasurer to the Fire Authority Chief Fire Officer / Chief Executive
SUBJECT:	2015/16 Budget Strategy and Medium Term Financial Plan for 2015/19

SUMMARY

This report provides Members with an update on the development of the 2015/16 budget and the Medium Term Financial Plan (MTFP) for 2015/19. It contains a strategic overview of the context in which the budget options have been established and outlines the main assumptions that have been used to develop the budget plans.

This report also reviews the levels of earmarked and general reserves.

The Key Points to note are:-

- The report models the impact of expected Government funding reductions in base formula grant on the Fire Authority identifying a funding reduction of £5.1m over the next 4 years in cash terms.
- The report sets out the Authorities approach to meet the financial challenge. The Authorities starting point is one of comparatively low spending and yet consistently high performance. The Authority has made strong progress in the past 5 years and is ahead of its existing saving targets. The Authority has developed a significant Investing for the Future Project which has been placed at the heart of the IRMP and contained within the Medium Term Financial Plan. This will lead to the delivery of ongoing savings needed to meet the identified current shortfall.
- The report provides an update on the current capital programme which includes the Investing for the Future project.
- Two budget options have been identified for 2015/16. These are based on an increase in council tax of 2% or accepting an anticipated 1% council tax freeze grant.

- That additional Section 31 grant of £0.25m, equivalent to a 1% increase in council tax is available for a one year period on the condition there is no increase in council tax in 2015/16.
- The Secretary of state is expected to set the council tax referendum threshold at 2% for 2015/16.
- The 2015/16 budget contains provision for the following key items:-
 - a. An estimated reduction in formula grant for 2015/16 of £1.9m equal to 8.5%.
 - b. Net inflationary pressures and unavoidable growth of £1.1m off-set by a reduction in funding of the Capital programme of £2.4m.
 - c. Achievable cash savings of £2.0m.
 - d. It was announced on 17 October that the Fire Authority's bid to receive funding from the Fire Transformation Fund Scheme for the re-development of Kingswood Fire Station and the transfer of Speedwell Fire Station to Bristol City Council has been successful and the Fire Authority will receive £1.05m (£0.95m Capital and £0.1m Revenue).

RECOMMENDATIONS

Members are requested to:

1. Approve the approach and the current assumptions being used to develop the 2015/16 budget. Note the budget options contained within the report and the financial issues and agree to its release for consultation;
2. To note the need to agree a budget after giving further consideration to the issues raised in this report, responses to consultation, result of representations and any further information that is forthcoming. A further report will be presented to members at the meeting on the 6th February 2015.
3. Maintain the level of working balance at £1.5m (approximately 3% of the proposed 2015/16 budget). To maintain the Austerity Reserve, estimated to be £1.8m, to facilitate changes necessary to balance forthcoming budgets. To note the projected level of reserves contained within Appendix A;
4. Note the current position in terms of the development for the MTFP as set out in paragraph 54 the high level of savings target contained within it and the identified financial risks.

BACKGROUND

1. **Current year budget position** - The latest budget monitoring report for 2014/15 forecasts that the revenue budget will be under spent by £0.6m. This underspend has been included in the forecast level of reserves shown in Appendix A.
2. **Economic Predictions** - The Office of Budget Responsibility's (OBR's) published new forecasts for the economy and the public finances on 3rd December, the day of the "Autumn Statement". The figures will take into account the Chancellor's policy measures and assess whether the Government remains on course to meet its medium term fiscal objectives.

PROVISIONAL LOCAL GOVERNMENT FINANCIAL SETTLEMENT 2014/15

4. The Autumn Statement was made by the Chancellor on the 3rd December 2014. It is anticipated that the provisional local government finance settlement will follow a few weeks later but after the December Committee. Central Government borrowing is above target and Austerity measures in the public sector are now expected to continue up until 2018/19 and this has been reflected in the Medium Term Financial Plan.

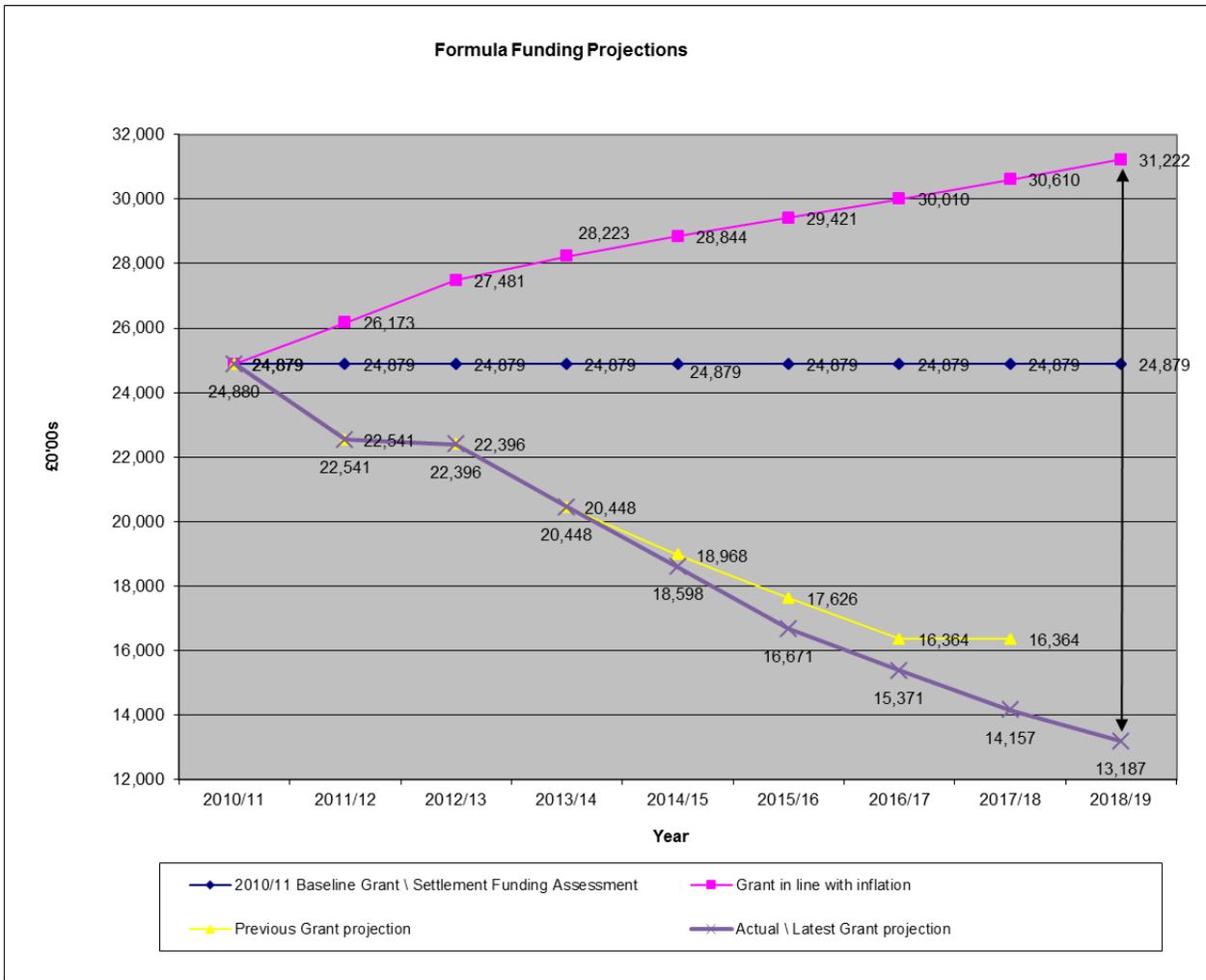
Formula Grant

5. It is expected that the base line formula funding for 2015/16 will be reduced by a further 8.48% as follows:

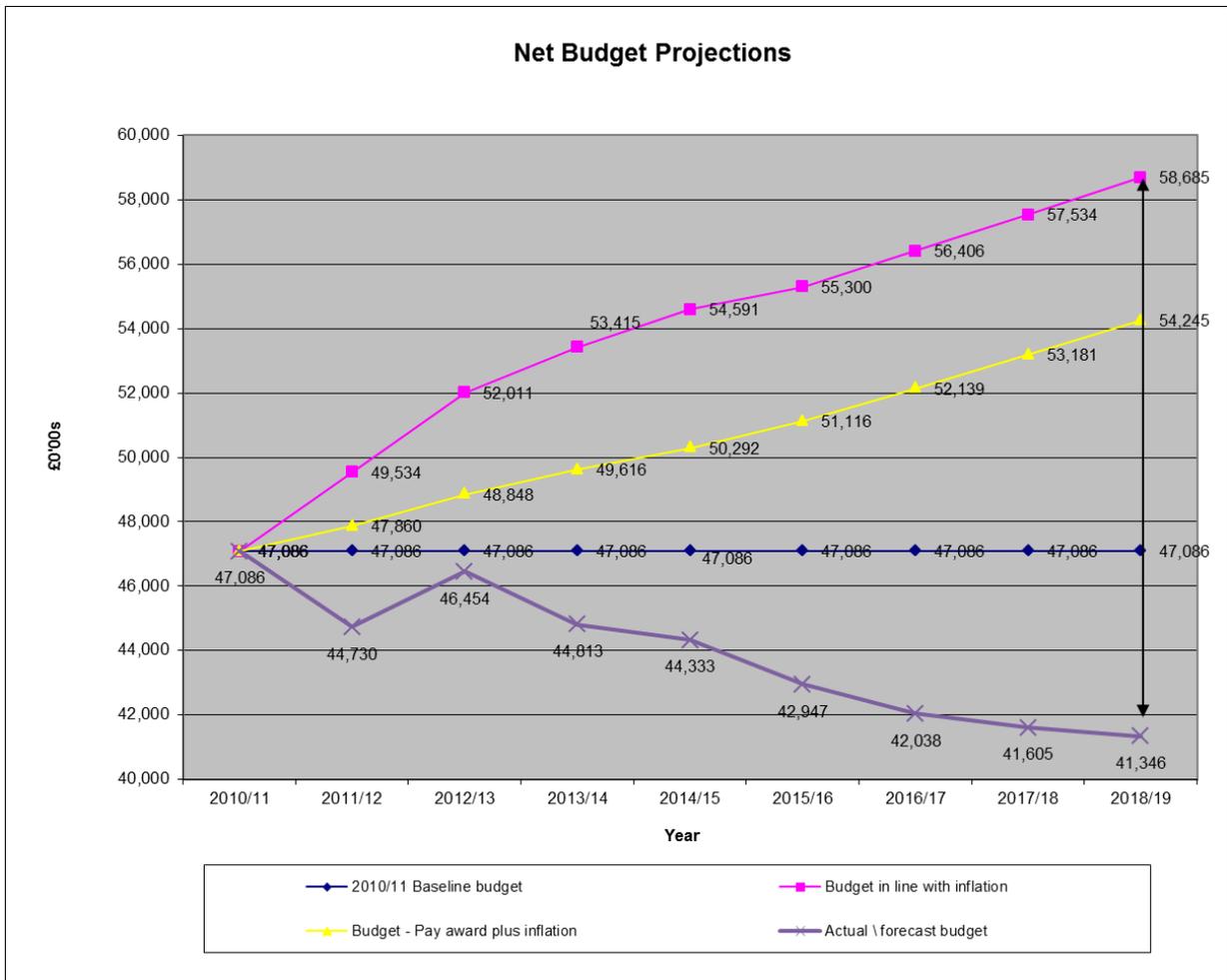
Summary in Changes in Formula Funding							
	2014/15			2015/16			Variation
	Business rate funding £'m	Formula funding £'m	Total £'m	Business rate funding £'m	Formula funding £'m	Total £'m	
Fire and Rescue Funding	9.488	11.987	21.475	9.750	9.884	19.634	
2010/11 Freeze Grant	0.226	0.327	0.553	0.232	0.320	0.552	
Returned funding		0.028	0.028		0.000	0.000	
Settlement Funding Assessment	9.714	12.342	22.056	9.982	10.204	20.186	-8.48%

6. Since the start of the current CSR period a number of significant changes have been made to the Government's formula funding model. These include the introduction of locally retained business rates, localising of support for Council tax and the rolling in of specific grants into the formula funding model.

In order to provide an analysis of the forecast real terms reduction in grant from the start of the current CSR period it has therefore been necessary to make an adjustment to take into account the estimated impact of these changes. After allowing for these changes and inflation, using the consumer price index, the total forecast real terms reduction for Avon is now likely to be around 58% over a 8 year period equating to an absolute reduction of approx 47%. This is shown in the chart below:



An alternative measure to assess the impact of the Government's austerity measures would be to project forward the Fire Authority's 2010/11 net budget after the use of reserves using actual pay awards to measure employee inflation and CPI to measure other inflationary pressures. This is shown in the chart below:



The key points to note are that the net budget is projected to around £13m (24%) lower than it would have been if it had been increased in line with pay awards and inflation. If the budget had increased in line with inflation then the net projected budget is around £17m (30%) lower.

The above chart has been based on the 2010/11 budget and takes no account of other non-inflationary spending pressures that have arisen over this period.

Council Tax Freeze Grant

7. In June 2013 the Chancellor of the Exchequer announced that Local Authorities would receive funding equivalent to a 1% increase in council tax if they elected to freeze their council tax for a further 2 years from 2014/15. Details of the qualifying criteria for the 2015/16 scheme have not yet been announced by the Government.
8. The overall changes in total funding are shown in the following table:-

Funding Analysis			
	2014/15 £'m	2015/16 £'m	Variation
Central Government			
Fire and Rescue Funding	21.476	19.633	
2010/11 Freeze Grant	0.553	0.553	
Returned funding	0.028	0.000	
Adjusted formula Grant	22.057	20.186	-8.5%
Less Locally retained business rates	-4.555	-4.680	
Total Central Government Grant	17.502	15.506	-11.4%
Local Tax Payers			
Locally retained business rates	4.541	4.693	
Council Tax	21.870	22.548	
Collection Fund Surplus\ (Deficit)	0.420	0.200	
Total Local taxpayers	26.831	27.441	2.3%
Total funding	44.333	42.947	-3.1%

LINK TO AUTHORITY GOALS AND OBJECTIVES (Update from IRMP, Corporate Plan, Asset management Plan)

- The ongoing real terms reduction in future funding has provided a significant financial challenge to the Authority. Whilst the financial challenge is a dominant driver for change, it remains important that the Service's future strategies continue to be Service-led. This has been the basis upon which this Authority has developed its financial planning arrangements over previous years

The current IRMP has been updated to include the Authority's costed Investing for the Future Project and subsequently integrated into the Capital and Revenue Budgets and MTFP.

DRAFT BUDGET 2015/16

- The buildup of the draft revenue budget for 2015/16 is set out over the following paragraphs.
- Summary of Assumptions** - The following table outlines the key assumption included in the budget for 2015/16:-

Key Assumptions - 2015/16

Item	
National decrease in Fire Formula grant	-8.5%
Capital Grant allocation (excluding capital bids) £'m	£0.95m
Capping limit	2.00%
Increase in tax base	1.1%
Collection fund surplus / (deficit) £'000	200
Increase in pay awards	2.0%
S31 grants will continue for USAR	Yes
General Inflation	1.20%

12. **Collection Fund Surplus** – The four Unitary Authorities in the Avon Area have been consulted on their likely collection fund positions at the year end. Currently only two of the Authorities have provided estimates and these two project a net surplus of £200k for 2014/15. This reduces the amount needed to be raised from Council Tax or met by additional savings in 2015/16. There is a significant risk that this position may change once information is received from the other two Authorities.
13. **Tax Base** – The Council Tax is calculated by dividing the Authority's precept (the amount of money needed to fund the net budget requirement after allowing for formula grant and locally retained business rates) by the tax base (the number of Band D properties within an area). The Authority's Tax Base for 2015/16 is projected to be 338,563 an increase of 2.0%.
14. **Other Grants:** - The Government has announced that it will reduce the USAR grant by £104K in 2015/16. It is anticipated that the Fire Link and any Council Tax freeze grant for 2015/16 will continue to be paid as standalone grants, in addition to formula grant.
15. **Capital Programme:** - The revenue budget has sufficient funding to finance the capital programme as contained within paragraph 40.
16. The outline draft revenue budget is as follows:-

Development of the 2015/16 Draft Budget			
	Gross Expenditure	Income	Net Expenditure
	£'000	£'000	£'000
Core Budget 2014/15	46,226	-1,893	44,333
- add back use of reserves 2014/15	2,500	0	2,500
Base Budget 2014/15	48,726	-1,893	46,833
Pay and Prices			
- Pay awards	624	0	624
- Energy inflation	18	0	18
- Other inflation	141	-24	117
Commitments			
- Capital financing	-2,373	0	-2,373
- Other	321	4	325
Transformation and Change savings			0
- Employees	-1,444	0	-1,444
- Other	-526	0	-526
2015/16 Revenue Budget Requirement	45,487	-1,913	43,574
Use of Reserves			-627
2015/16 Revenue Budget Requirement after use of reserves			42,947
Funding			
- Locally Retained Business Rates			-4,693
- Central Government Support			-15,506
- Collection Fund (surplus) \ deficit			-200
Amount required from Council Tax payers			22,548
Assumed tax base			338,563
Council Tax			£66.60
Council Tax Increase			1.99%
Budget Increase (excluding use of reserves)			-6.96%

Pay and Prices

17. **Pay awards** are based on 2% increase for Uniform Staff and Support Staff.

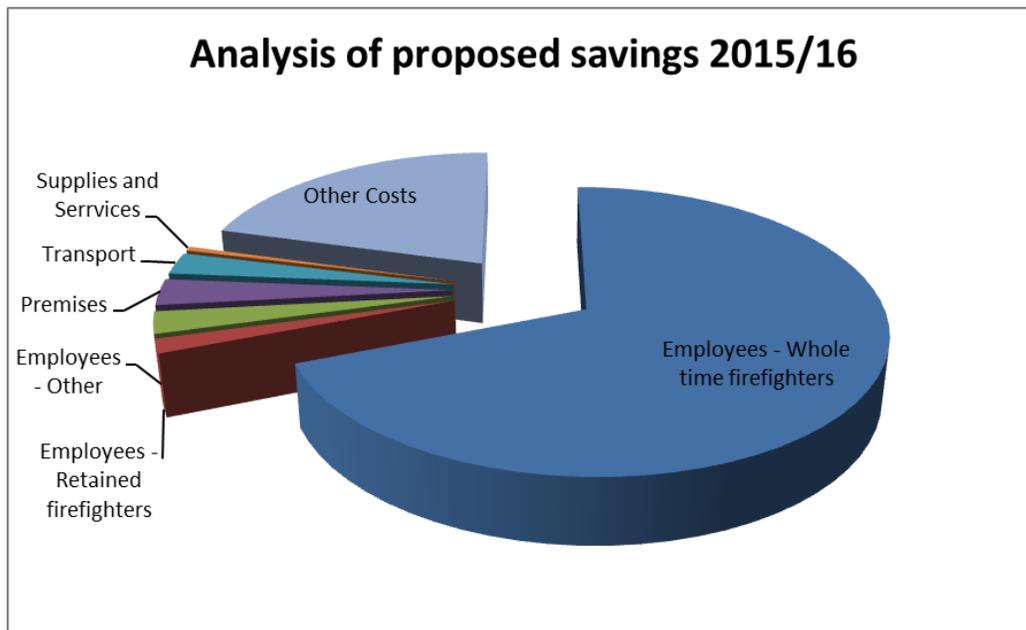
18. **Inflation** – general inflation is calculated on an increase of 1.2%.

Commitments

19. **Capital Financing** – As part of the identified funding for the capital programme £0.6m is being met from revenue contributions. This is a reduction of £2.4m from the current year which included a £2.5m contribution to the Investing for the future project.
20. **Other** –Following the 2013 actuarial valuation of the Avon Pension Fund the need to increase the employer’s contribution rate has been identified. The employer’s contribution rate will increase 13.6% by 2016/17. The impact of this increase in 2015/16, together with the increased deficit recovery payment is £60k. £134k is in respect of establishment changes. The contribution to the JTC has been increased by £10k in line with the agreed increase in contributions to support the deficit on the sinking fund. The variation of £4k on income relates to the reduction of USAR grant of £104k offset by the additional revenue grant of £100k for the Kingswood Transformational Scheme funding.

Savings

21. At this stage Savings have been identified in the following budget areas:-



22. **Employees** – This includes £1,362k on whole time firefighters in line with the non-recruitment policy. A further saving of £31k on retained firefighters as part of the Investing for the Future project.
23. **Other** – Further efficiency savings in premises expenditure £60k, transport expenditure £50k, supplies and services £10k, capital financing costs of £265k and the retention budget of £142k. The Capital financing budget contains sufficient funding to support the Authorities asset management plans.

24. The development of the draft budget for 2015/16 identifies that after allowing for identified pressures, cost reductions and use of reserves the amount of funding required from Council Tax payers, is £22.548m.

Budget Summary 2015/16

The draft budget can be summarised as follows:-

Detail Analysis	Base Budget £000	Inflation £000	Other Pressures £000	Savings £000	2015/16 Budget £000
Employees	34,477	624	196	-1,444	33,853
Premises	2,071	53	0	-60	2,064
Transport	1,659	40	90	-50	1,739
Supplies and Services	4,319	54	35	-10	4,398
Other Costs	6,200	13	-2,373	-407	3,433
Unidentified savings	0	0	0	0	0
Total Expenditure	48,726	784	-2,052	-1,971	45,487
Income	-1,893	-24	4	0	-1,913
Budget before use of reserves	46,833	760	-2,048	-1,971	43,574
Reserves	-2,500	0	1,873	0	-627
Net Budget	44,333	760	-175	-1,971	42,947

BUDGET ISSUES

Council Tax Freeze Grant (section 31 Grant) and the level of Council Tax

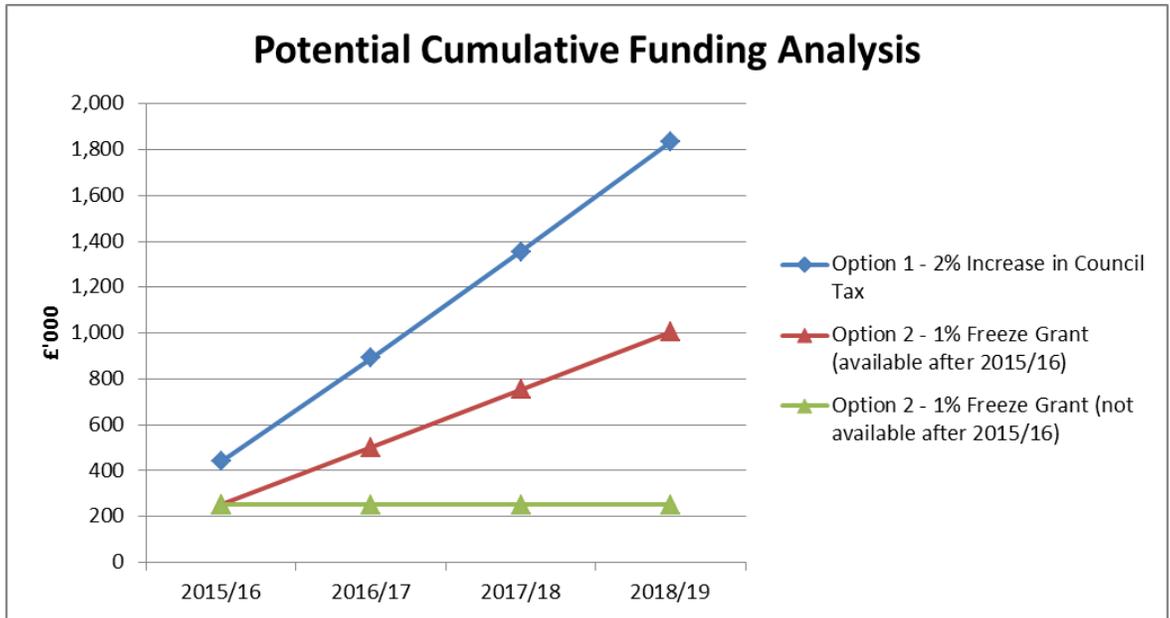
25. The Government has announced that a Council Tax freeze scheme will again be available to those FRA's that freeze their Council Tax in 2015/16. Details of the scheme have not yet been announced but it has been anticipated that the additional grant available will be equivalent to a 1% increase in Council Tax for one year only.
26. The Authorities recent policy has been to not use the Section 31 grant and increase the council tax within the referendum limit set by the Secretary of State. This avoids any capping issues whilst increasing the council tax base to meet identified future spending pressures.
27. As indicated above, because the anticipated council tax freeze grant for 2015/16 is expected to be for one year, careful consideration needs to be given, not only to the impact in 2015/16, but also to the potential impact on budgets in the medium term. Additionally, in accordance with the provisions of the Localism Act, it is anticipated that the Government will set a 2% limit on the increase in the 2015/16 Council Tax above which the need for a referendum would be triggered. The table below identifies the financial impact in 2015/16 of two options:- Option 1 – a 2% increase in Council Tax and Option 2 a council tax freeze:-

Suggested 2015/16 Budget Options		
	Option 1	Option 2
	2.0% council tax increase	No council tax increase
Use Council Tax Freeze Grant	No	Yes
	£'000	£'000
Draft Revenue budget	43,574	43,574
Council Tax Freeze Grant	0	-251
Increased expenditure \ reduced savings	0	0
Use of Reserves £'000	-627	-816
Budget Requirement	42,947	42,507
Locally retained business rates	-4,693	-4,693
Central Government Support	-15,506	-15,506
Collection Fund (surplus) \ deficit	-200	-200
Amount to be met by Council Tax payers	22,548	22,108
Council Tax	£66.60	£65.30
Council Tax increase	£1.30	£0.00

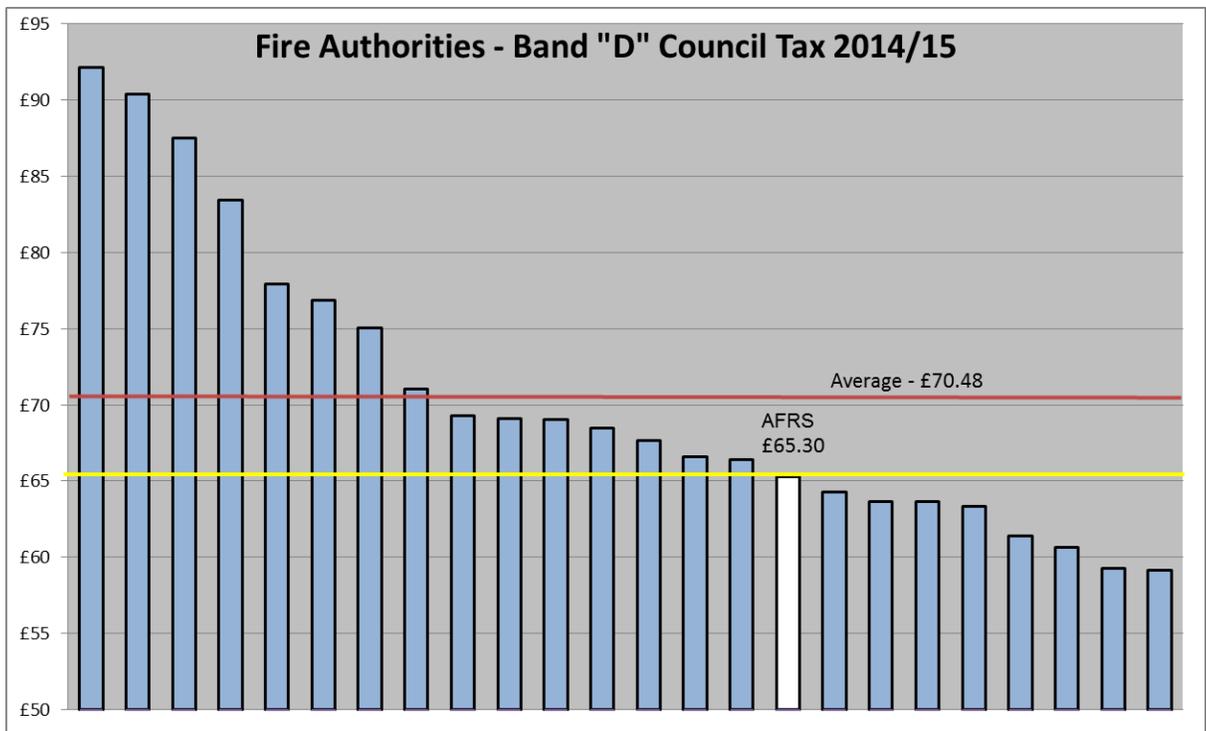
28. The Chancellor has announced that austerity will continue until 2018/19 and the assumption is that the council tax cap limit will remain at 2% with a slight increase to 2.5% in 2017/18 and 2018/19. Based on these assumptions the financial impact of each of the options have been shown in the following table:

Option analysis - Potential Financial Impacts over the medium term financial plan				
	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000
Option 1 - 2% increase in Council Tax Additional Council Tax income	440	450	464	478
Option 2 - 1% Council Tax Freeze Grant Freeze Grant available after 2015/16	251	251	251	251
Freeze Grant not available after 2015/16	251	0	0	0

29. The cumulative financial impacts of the options are shown in the chart below:



30. **How do we compare?** - For the current year 2014/15 Avon has set the ninth lowest Band “D” council tax (£65.30) compared with the other twenty three combined fire authorities. Council tax levels range from £92.16 to £59.13 with the average being £70.48. Full details are shown in Appendix C with a summary shown below:



It should be noted that if Option A, increase council tax by 2% to £66.60 in 2015/16, was selected and all other fire and rescue authorities chose to freeze

their council tax levels Avon would have the eleventh lowest Band “D” council tax level compared to the other twenty three combined fire authorities. This level would also remain below the average for 2014/15 of £70.48.

31. Use of Reserves

Reserves earmarked for identified specific issues. The Austerity reserve will be used to facilitate changes that will result in reduced expenditure in the future for example improved systems, redundancy payments etc. Linked to longer term savings longer term reserves will not be used to fund the gap between budget and income unless in exceptional circumstances. A reserve could be established to support the Authority’s asset management goals.

32. The level of Capital Programme and funding arrangements

For 2015/16 the Government has set up a Fire Transformation Funding Scheme to replace the allocation of Capital Grant. All Fire Authorities were invited to submit grant applications in accordance with the criteria set down by the Government.

33. The Fire Authority submitted a bid in respect of the re-development of Kingswood Fire Station and the transfer of Speedwell Fire Station to Bristol City Council. On 17 October 2014 it was announced that this bid had been successful and the Fire Authority will receive £1.05m (£0.95m Capital and £0.1m Revenue).
34. Any capital expenditure above the capital grant allocation will need to be financed from revenue contributions, capital receipts, reserves or prudential borrowing. Any capital expenditure that is financed from prudential borrowing will incur interest and repayment costs
35. The budgets and MTFP’s have been based on a level of borrowing that keeps the revenue cost of capital to below 6% of the net budget, one of the key prudential indicators.

RISK AND SENSITIVITY ANALYSIS

36. **Risk Management** - The Authority’s risk management is assisted by the process of budget preparation and monitoring already set out in this report. The Authority also has a Corporate Risk Register which is under regular review. Risk Item 8 is concerned with Financial Capacity.
37. In terms of financial management a risk analysis has been undertaken and identifies the following risks and appropriate mitigations:

Financial Risk Identification and Management

Item	Mitigation
Higher than budgeted pay awards	Reserves and balances, vacancy management
Increase in employer pension contributions	Reserves and Balances
Higher than budgeted ill health payments	Reserves and Balances, Occupational Health
Legislation e.g. DDA	Prioritisation of R&M budgets; review prudential code
Government formula limits Authority to floor grant increase	Use of reserves, IRMP and MTFP
Localisation of Council Tax Support - Impact on Council Tax base not off-set by Government Grant	Unitary Authority Council Tax discount schemes, Reserves and balances
Business Rate Retention scheme	Government safety net, Reserves and balances, MTFP
Council Tax Collection rates	Reserves and balances , MTFP
Reduction in Government funding	MTFP
Increased contribution to JTC sinking fund	Accounting treatment, utilisation of JTC
USAR funding incorporated into Revenue Support Grant	Consulation, lobbying
Costs associated with maintaining control resilience.	Reserves, use of resilience grant
Costs associated with asset management exceed capital funding. Changes to capital grant allocation mechanism	Reserves, prudential borrowing, robust bidding processes
Identified savings not achieved	Reserves and Balances. Budget working group and SMB monitoring
Major / sustained incident	Bellwin Scheme, reserves
ICT demands	Investment in resilience, reserve

38. **Sensitivity Analysis** – The following analysis has been undertaken to identify the potential impact of a change in the assumptions for a number of significant areas.

Sensitivity Analysis		
Item / Risk	Variation of %	Estimated full year Cost / Saving £'000
Pay awards		
- Uniformed	1%	224
- Other	1%	36
Pensions		
Uniformed employer contribution rate		
- old scheme	1%	151
- new scheme	1%	22
Other employer contribution rate	1%	36
National Insurance Contributions	1%	257
Ill Health Retirement		
- Lower Tier (Crew Manger)	1 occurrence	64
- Higher Tier (Crew Manger)	1 occurrence	128
Council Tax Level	1%	221
Inflation	1%	68
Reduction in formula grant	1%	221

39. As can be seen there is potential for significant variations in expenditure to occur over the medium term. These issues have been identified and considered in the reserves adequacy review summarised in Appendix A and incorporated into the medium term plan.

THE CAPITAL PROGRAMME

40. A draft capital programme has been prepared as follows: -

Estimated Capital Programme 2014 to 2018				
Investment Area	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000
Premises - General	500	500	500	500
Premises - Investing for the Future	8,270	5,000	0	0
Operational Equipment	90	90	90	90
BA Replacement	0	0	0	0
Fleet	1,410	1,410	1,410	1,410
IT	200	200	200	200
Total	10,470	7,200	2,200	2,200
Funded by				
Grant	950	1,077	1,077	1,077
Capital Receipts	850	5,000	0	0
Revenue Contribution to capital	627	200	200	200
Prudential Code	8,043	923	923	923
Total	10,470	7,200	2,200	2,200

41. **Indicative 4 year capital programme** - is set out above with proposed funding. The revenue effects, including those of prudential borrowing, are included within both the budget and the MTFP. Work is ongoing in updating the asset management and capital strategies as part of the budget and business planning cycle.

PROVISIONS, RESERVES AND BALANCES

42. **Working Balance** – the Authority has decided that a balance of £1.5m or 3% of net expenditure should be maintained.
43. **Reserves** - Appendix A to this report details the financial risk assessment which is used to support the estimated level of general and earmarked reserves. As shown reserves are held for identifiable purposes, they are not considered excessive, and there is no particular opportunity cost to holding them.
44. **The Draft Budget** – The draft plan for 2015/16 identifies a need to call upon reserves. A further draw on reserves over the MTFP to facilitate the expected change in the financial climate. Further work on the plan is ongoing and will be available in February. The level of savings over the medium term plan is challenging and any shortfall in one particular year will be met from reserves.

MEDIUM TERM FINANCIAL PLAN

45. A medium term plan has been developed based on the 2015/16 budget as follows:-

Medium Term Financial Plan - Option 1 (2.0% Increase in Council Tax)				
	Budget			
	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000
Council Tax Increase Target	2.00%	2.00%	2.50%	2.50%
Base budget	46,833	43,574	42,816	41,885
Effect of pay and price increases, cost of capital	760	822	850	864
Current base budget	47,593	44,396	43,666	42,749
Add Pressures / growth	(2,048)	507	19	0
Less Identified savings	(1,970)	(1,637)	(16)	15
Initial Budget	43,575	43,266	43,669	42,764
Additional required savings	(1)	(450)	(1,784)	(1,137)
Budget before use of reserves	43,574	42,816	41,885	41,627
Reserves	(627)	(750)	(250)	(250)
Net Budget	42,947	42,066	41,635	41,377
Less Locally retained business rates	(4,693)	(4,804)	(4,916)	(4,933)
Government Support	(15,506)	(14,215)	(12,958)	(11,944)
Add \ Less effect of Collection Fund deficits \ (surpluses)	(200)	0	0	0
Net amount chargeable to Council Tax Payers	22,548	23,047	23,761	24,500
Band D Council Tax	£66.60	£67.93	£69.62	£71.36
Budget Increase \ (decrease) (excl use of reserves)	(6.96%)	(1.74%)	(2.17%)	(0.62%)

46. The MTFP is based on the following assumptions:-

Key Financial Assumptions	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000
Other Inflation	1.20%	1.70%	2.50%	2.50%
Use of Reserves	(627)	(750)	(250)	(250)
Estimated Council Tax base	338,563	339,277	341,295	343,328
Net Collection Fund Positions	200	0	0	0
Government Support	(8.48%)	(6.00%)	(6.00%)	(5.00%)

SECTION 25 REPORT

47. Members need to be aware that Section 25 of the Local Government Act 2003 requires the Treasurer to report to the Authority on the robustness of the estimates including the budget and the adequacy of the reserves for which the budget provides.

This will be included in the report to the Authority on the 6th February 2015.

CONSULTATION

48. **Consultation** - As a precepting Authority, Avon is required to consult over its budget proposals. The purpose of this is to gauge the level of public support for its overarching strategy to the budget so that this may be considered when drafting the final budget proposals. By law the Authority is required to consult person or bodies appearing to it to be representative of persons subject to non-domestic rates about its proposals for expenditure (including capital expenditure) in the next financial year. In this respect, it is suggested that this report is made available to:

- Unitary Authorities
- Local MP's
- Business West
- The Authority's website
- The Authority's intranet
- At Community Safety Centre's

IMPLICATIONS

There are no specific issues arising from the content of this report. As the details of any proposals for change are developed, such as those included within the IRMP, due regard will be given to the potential impact on the organisation, its staff, and external agencies. The current and future forecasts set out above will need careful managing over the medium term.

FINANCIAL

The financial impact of the budget for 2015/16 and the MTFP on council taxpayers is assessed to ensure that proposals are both affordable and sustainable. Consideration will be given to the outcome of the budget consultation exercise in developing the final budget.

LEGAL

The Authority must budget within its means.

EQUALITY AND DIVERSITY

The budget supports a range of Equalities work and initiatives

CORPORATE RISK ASSESSMENT

There are many risks associated with budgets, resources and expenditures. These are set out within the report.

ENVIRONMENTAL/SUSTAINABILITY

The budget supports a range of Environmental and Health and Safety works and initiatives

HEALTH AND SAFETY

The budget supports a range of Health and Safety works and initiatives

Appendices:

- A** - Reserve Adequacy Analysis
- B** - Fire Authorities – Band “D” Council Tax levels 2014/15

List of background documents: Held within the Finance Director's department
Report Contact(s): James Dack, Treasurer to the Fire Authority (ext. 235#)

Appendix A – Reserve Analysis

AVON FIRE AND RESCUE AUTHORITY

Reserves Adequacy Analysis

Reserve	Purpose	Likelihood	Impact	31 March 2015 £'000
Pension / Budget Pressure Reserve				
Control Resilience Reserve	To provide supplementary support for implementation of control resilience programme	Medium	Medium	400
Premises / H&S Reserve critical works	To fund critical Premises / H&S works	Medium	Medium	100
Pension Reserve	To fund fluctuations in ill health retirements	High	Medium	100
Legal Fees Reserve	Finance unexpected Legal Costs	Medium	Medium	100
BA Reserve	To fund revised total care package	High	High	50
Marketing & Communications Reserve	To support community safety advertising campaigns and initiatives.	Medium	Medium	28
Uniform & PPE Reserve	To fund fluctuations in PPE costs following introduction of the Intergated Clothing project.	Medium	Medium	125
Community Safety Reserve	To support community safety activity including safety campaigns, commissioning services from the voluntary sector and the fitting of smoke alarms	Medium	Medium	203
Auxillary Reserve	To provide training and equipment for auxiliary staff	High	High	125
Hydrants	To fund additional cost of repair works arising from increased inspections	High	Medium	100
Medical Intervention	To fund medical interventions to assist employees to return to work	Medium	Medium	40
Austerity Reserve	To support implementation of new procedures / ways of working	High	High	1,751
Investing for the Future	To fund additional costs associated with the Investing for the Future project	High	High	1,700
PFI Equalisation Fund				1,741
Total Earmarked Reserves				6,563
Working Balance				1,500
Total Reserves				8,063

Appendix B – Council Tax Levels

