



AGENDA ITEM: 8

NORTH WALES FIRE AND RESCUE AUTHORITY EXECUTIVE PANEL

22nd September 2008

Budget prospects for 2009/10

**Report by Dawn Docx,
Assistant Chief Officer (Resources)**

Purpose of Report

- 1.** This paper is an early opportunity to set out significant known budget pressures for 2009/10 and beyond. It is not possible for all of these pressures to be quantified at this stage, but where possible these have been included to produce an indicative budget for next year.

Background

- 2.** In order to assist the Fire and Rescue Authority's budget setting process this paper lists those funding pressures facing the Service next year. It summarises the causes of those pressures and indicates to what extent they are discretionary.
- 3.** The starting point is the revenue budget for 2008/09 which is £30.338 million. Members should be aware that this was in many ways a stand still budget which met the annual pay awards and included funding for those pressures which were unavoidable such as payment of Continuing Professional Development (CPD) and the Retained Duty System (RDS) employer's contribution to the New Pension scheme. It did not include any additional funding for community safety work to deliver the authority's objective of 30,000 home safety checks a year.



4. In order to restrict the increase on the 2007/08 budget to 2.99% savings of £192,000 were made within supplies and services last year and a further £192,490 was taken from provisions. This £192,490 has to be added to the 2009/10 budget before any other increases.
5. If only the known costs listed below were to be part of the 2009/10 budget there would be a need for a budget of £32.003 million which would be an increase of 5.49%. This has to be considered in light of a RSG settlement which could possibly be in the range of 2%.

6. Financial Pressures

pressure	description	Driver	Cost 09/10 £'000
Underpinning	One off amount taken from the provisions in 2008/09 which needs to be replaced in 09/10.	Underpinning the existing budget	192
Pay awards	No pay formula has been determined for employees. There is government direction that pay awards should be restricted to 2% but due to the economic climate pay claims, payable from July 09, may be 3% or above	National Pay award	450
Service Continuity	Protection against serious interruption to the	Dependent upon the Authority's	179



	Service due to unplanned disruption to front line services	decision	
Firelink	Revenue costs associated with new national radio communication system due in Sept 09 (6 months)	This may be offset in the first year, in part or in full by WAG	350
New Dimensions/ Long Term Capability	Intention to transfer the assets and responsibilities from WAG to individual FRs	National policy	?
Increase in Community Safety work	In light of further experience we have re-evaluated the requirement to introduce the business systems and fund the staff and equipment needed to deliver 30,000 home safety checks a year	Risk Reduction Plan and recommendation from Chief Officers task group	400
Job Evaluation	The Service is currently undertaking job evaluation for all employees on Green Book conditions. It has been agreed that there will be pay protection for 3 years for those whose grade is reduced and there will be the need to fund higher grades.	The pay protection has been agreed with the representative bodies. Members may wish to discuss capping limits to increases.	?
Cost of Fuel	The price of fuel is rapidly increasing and	Global inflation pressure	95



	affecting general inflation		
--	--	--	--

7. Recommendation

Members to note the above pressures and indicate what further information they would like to receive at future meetings.