



AGENDA ITEM: 7

NORTH WALES FIRE AND RESCUE AUTHORITY EXECUTIVE PANEL

7th February 2011

BUDGET 2011/12

Report by Dawn Docx, Deputy Chief Fire Officer

Purpose of Report

- 1 To confirm the revenue budget for 2011-12.
- 2 To advise Members following the Fire and Rescue Authority's decision in December 2010, as to how Officers will monitor, manage and report the revenue budget over the next 3 year period given the additional constraints applied through the budget reduction strategy.

Background

- 3 At the December Fire Authority meeting Members agreed to apply a 2.5% reduction to the budget each year for the next 3 years, in order to emulate the financial constraints being placed upon its Constituent Authorities in the current economic climate and following the outcome of last year's Comprehensive Spending Review by the Coalition Government.
- 4 In doing so these reductions over the 3 year period will produce an overall saving in the budget of £2.4m and support the uncontrollable inflationary factors faced by the Authority in the coming 3 year period.
- 5 There have been no indications to date that the Revenue Support Grant for Constituent Authorities is likely to differ from the draft figures published in November, therefore the Authority's budget

for 2011-12 is scheduled to be approved as drafted on 15th February with the constituent contributions being published later that week.

Management of the Revenue Budget

- 6 The budget set for 2011-12 is £31,932,653, with savings of £802,000 needed to underpin this figure.
- 7 In order to ensure that the saving strategy is achieved year on year and to mitigate the risk of slippage, the budget will require even more detailed financial management.
- 8 The Budget Reduction Strategy contains 'packages' of savings from across the whole Service, examples being reduction of discretionary budgets, cessation of non statutory events, review of front line fire cover and support staff services. It requires strict forward planning to ensure that where possible, they can be implemented at the start of the financial year or in the case of savings through natural wastage, monitored and managed throughout the year.
- 9 In the next few months leading up to the new financial year, Officers will carry out preparatory work on the budget which will include briefing staff across the Service on the contents of the strategy in order to ensure that all staff are aware of its implications, implementation of new staff structures and review of existing vacancies as well as applying new policies to discretionary budgets which have been reduced or no longer exist.
- 10 Once the new financial year commences, Members will receive progress on each of the savings packages through the normal budget reporting means, at Fire Authority Meetings in June, October, December and March.
- 11 If there are any concerns as to the timing or ability to deliver against the budget reduction strategy these will be highlighted to Members as soon as possible to inform the 2012/13 budget setting process.

Recommendation

- 12 That Members note the above information.