



AGENDA ITEM: 6

NORTH WALES FIRE AND RESCUE AUTHORITY EXECUTIVE PANEL

16th November 2009

BUDGET OPTIONS FOR 2010/11

Report by Dawn Docx, Deputy Chief Fire Officer

Purpose of Report

- 1 The purpose of this paper is to update Members as to the budget pressures for 2010/11 and the progress made to fund these pressures by means other than increasing the levy on constituent authorities.
- 2 It sets out some of the options that Members could choose between in constructing the revenue budget, which will be presented to the Fire and Rescue Authority for approval in December.

Information

- 3 There are four key budget pressures to consider:
- 4 **Pay.** Pay awards are negotiated and agreed at a national level. It can be difficult to predict the award some eight months in advance. For the 2009/10 budget an estimate of 2.5% was included. At the end of the negotiation process the awards were agreed at 1.25% for firefighters and control staff and 1% for all other employees. This means that there is almost enough in the base budget to fund a similar pay award in 2010/11. Pay budget lines will require an increase of only £66,000.
- 5 Members may wish to take a view as to whether pay awards for 2010/11 are likely to be higher, lower or similar to this year.

- 6 The Job Evaluation Project for all support staff, is near completion and it is hoped to send the results to each employee in the new year. Any back pay and pay protection can be met from the provision of £169,000 which was created by managing other budget lines.
- 7 A decision needs to be made as to whether to incorporate into the base budget five posts which were not part of the original establishment. This would require an increase of £128,000.
- 8 **New Pressures.** In the previous paper concern was expressed as to the unknown costs required to fund Firelink, the replacement radio system. In a letter from the Minister dated the 2nd October 2009 North Wales Fire & Rescue Service was informed that the Welsh Assembly Government (WAG) are prepared to fund not only the majority of the capital costs but also the revenue costs of running Firelink for 2009/10 and 2010/11 and possibly beyond.
- 9 In conjunction with the new radio system is a number of interconnected ICT projects to improve the delivery of risk critical information to firefighters and the delivery of community safety to the public. These projects require a revenue investment of £541,000.
- 10 **Inflation.** In earlier papers a rate for general inflation was used across all budget lines. Members may decide that it is prudent to include an amount for general inflation or they may wish to include only specific known inflation pressures such as fuel and energy costs, which amounts to £70,000.
- 11 **Capital Charges and leases** are unavoidable as they result from earlier capital decisions already made. For 2010/11 the increase required is £260,000. This is compounded by the reduction of interest received from money on deposit, which is expected to be £175,000.
- 12 In conclusion, in setting a budget for 2010/11 North Wales Fire and Rescue Authority is faced with a number of unavoidable cost pressures. One of the few discretionary pressures is that of the investment required to improve the ICT infrastructure. Given that the draft RSG settlements for North Wales were not quite as poor

as it is anticipated they will be in future years, Members may decide to take this opportunity to invest in these risk critical systems whilst there is scope to do so.

Recommendation

13 Members are asked to:

- (i) note the above pressures which may form part of the Fire and Rescue Authority's revenue budget for 2010/11;
- (ii) indicate any planning assumptions they would wish to see incorporated into the budget.