

HIGHLAND AND ISLANDS FIRE BOARD	Agenda Item	
Policy & Finance Working Group		
6 November 2009	Report No	

REPORT ON REVENUE BUDGET 2010/11

Report by the Chief Fire Officer

Summary

This report sets out a Draft Revenue Budget for 2010/11 and future years.

BACKGROUND

This report sets out a Draft Revenue Budget for 2010/11 and future years. It should be noted that, as in previous years, the budget is one that reflects the needs of the Service to deliver its statutory duties and the Board's policy requirements and is mindful of the general state of the economy's finances.

Members should also note that the budget setting process for 2010/11 has been complicated by two changes in the pension funding mechanism.

1. From 2010/11 the liability for Fire-fighters pensions, with the exception of ill health and injury payments, will rest with the Scottish Government and not the Fire Board. In effect the centrally funded pension element has been removed from the budget and in order to make "like for like" comparisons the 2009/10 budget has been restated.
2. From 2010/11 the Service, for the first time, will be required to make "employer contributions" in respect of its uniformed workforce. The cost of these contributions will again be met by Government - in this case by a grant.

Members will recall that the predicted budget for 2010/11 approved in November 2008 showed an increase of 1.8% on the 2009/10 budget. Members should now note that the budget for approval, excluding government funded pensions, shows a decrease of 3.2% on the predicted budget growth and a decrease of 1.4% on 2009/10 budget (see table 3, appendix 3). Excluding loan charges (the operational budget) shows a comparable decrease of 2.5% on the predicted budget growth and a decrease of 0.7% on 2009/10 budget (see table 1, appendix 1).

BUDGET FUNDING 2010/11

Requisitions

The Board is obliged to requisition its Constituent Authorities for the resources to fund the Revenue Budget necessary to deliver its statutory duties, and the Board's policy requirements. The total proposed requisition in 2010/11 is £22,366,000

compared with £24,334,000 in 2009/10 - a cash reduction of £1,968,000. This is primarily a result of the change to pension funding referred to above. However, even on a "like for like" basis, the requisition in 2010/11 is lower than 2009/10 by 0.04% - (see appendix 2, table 2).

Grants

As stated above from 2010/11 the Service, for the first time, will be required to make "employer contributions" in respect of its uniformed workforce. The cost of these contributions will be met by Government, by a grant totalling £1,453,000.

REVENUE BUDGETS - FUTURE YEARS 2010/11 & 2011/2012

The Service, like all other public sector organisations, will undoubtedly face considerable economic challenges in the near future. However Members are reminded that we are not only an emergency front line service, but also a fire service with nationally recognised revenue and capital challenges in relation to our Retained Duty System (RDS). Despite such nationally recognised pressures the Service are determined to continue seeking efficiencies in all that we do without unduly compromising front line services. With this in mind we seek to ensure the Service has stand still budgets, in cash terms, for each of the next two years – (see Appendix 4 – Table 4). This will require the Service to deliver £476,000 worth of efficiencies in each of the next two years.

Recommendations

That the Policy & Finance Working Group recommends the approval by the Board of the revenue needs based budget for 2010/11, as shown in the attached papers.

**BRIAN A MURRAY
CHIEF FIRE OFFICER**

30th October 2009

Table 1 - Budget Pressures and Savings		
2009/10 Operation Budget	20,571	
Pension costs to be met by service	236	
2009/10 Budget excluding loan charges	20,807	
Savings		
Firelink	(300)	-1.4%
Efficiencies	(327)	-1.6%
Increases		
Training RDS staff	117	0.6%
Single status	167	0.8%
Inflation	202	1.0%
2010/11 Budget (excl. Government Funded Pensions & Loan Charges)	20,666	-0.7%
Loan Charges	1700	
2010/11 Requisition	22,366	
Government Funded Employer Pension Contributions	1,453	
2010/11 Budget Incl. Government Funded Pension Contributions	23,819	

Revenue Efficiency Savings	
Reduction in Standby hours	(91)
Environmental efficiencies (travel)	(54)
Environmental efficiencies (energy)	(20)
Environmental efficiencies (subsistence)	(37)
Staff management	(125)
Total	(327)

Table 2a - Draft Requisitions Reconciliation	
2009/10 Budget	24,634
Funded from Reserves (Firelink)	(300)
Requisitioned in 2009/2010	24,334
Pensions Account Adjustment	(1,960)
Adjusted 2009/10 Budget Requisitions	22,374
Efficiencies	(327)
Training RDS staff	117
Single status	167
Inflation	202
Change in Loan Charges	(167)
Draft Budget Requisitions 2010/2011	22,366

Table 2b - Requisitions by Authority	2009/10 £000's	2009/10 Budget Adj for Pensions	2010/11 Draft Budget Requisiti on	Decrease £000's	%
Highland Council	17,730	16,302	16,296	(6)	-0.04%
Comhairle Nan Eilean Siar	2,489	2,289	2,288	(1)	-0.05%
Orkney Islands Council	1,823	1,676	1,676	(0)	-0.02%
Shetland Island Council	2,292	2,107	2,106	(1)	-0.04%
Total	24,334	22,374	22,366	(8)	-0.04%

Table 3a - Revenue Budget 2010/11	2009/10 Budget Adj for Pensions	2010/11 Budget "Like for Like"	Change £000's	Change %	2010/11 Budget Incl funded Pension Contributions	Comments
Operations	11,781	11,898	117	1.0%	12,989	Operational staff management and pay inflation Improved radio systems and Firelink project to be completed in 2009/10 Reduction in equipment provision and staff management in the provision of CFS activity Increased training requirements for RDS personnel Staff management
Operational Support	3,682	3,441	(241)	-6.5%	3,502	
CRM/IRMP	1,110	991	(119)	-10.7%	1,061	
People Service	1,999	2,128	129	6.5%	2,286	
Corporate Services	1,999	1,972	(27)	-1.4%	2,045	
Operational Expenditure	20,571	20,430	(141)	-0.7%	21,882	
Pension Costs to be met by Service	236	236	0	0.0%	236	
Loan Charges	1,867	1,700	(167)	-8.9%	1,700	
Revenue Budget	22,674	22,366	(308)	-1.4%	23,818	
Funded from Reserves Funded by Scottish Government	(300)		300		(1,453)	
Amount requisitioned	22,374	22,366	(8)	-0.04%	22,366	

Table 3b - Budget 2010/11 - Expenditure Category	2009/10 Budget Adj for Pensions	2010/11 Budget Excl. Employer pension contributions	Change £000's	Change %
Staff	16,670	16,849	179	1.1%
Other	3,751	3,731	(20)	-0.5%
Firelink	300	0	(300)	-100.0%
Fire Fighting at Sea	99	100	1	1.0%
Capital Charges	1,867	1,700	(167)	-8.9%
Income	(13)	(14)	(1)	7.7%
Revenue Budget	22,674	22,366	(308)	-1.4%

Table 4 - Budgets For Future Years	2011/12	2012/13
Prior Year Budget	23,818	23,818
Inflation	476	476
Efficiencies	(476)	(476)
Revenue Budget	23,818	23,818

HIGHLAND AND ISLANDS FIRE BOARD

Policy & Finance Working Group

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DRAFT STRATEGIC OBJECTIVES FOR 2010/2013

Report by the Chief Fire Officer

Summary

This report sets out draft strategic objectives for 2010/2013 in support of the budget proposals being presented to the Working Group.

Background

The service planning process involves a rolling three-year view of the strategic aims and objectives for the Service. The attached set of objectives for 2010/13 has been derived after reviewing the objectives from the 2009/12 Service Plan and considering any modifications, deletions and additions needed for the current service planning period.

Next Steps

The draft budget for 2010/11 takes account of the strategic objectives for the service as presented.

The text of the strategic objectives in their final form will be incorporated in the Service Plan for 2010/2013 which is currently in the early stages of drafting. When the Service Plan has been through all stages of internal approval it will be submitted to the Board for approval. This will now be in January 2010.

Recommendation

Members are asked to note the draft strategic objectives for 2010/2013 in support of the budget proposals, presented as a separate item.

**BRIAN A MURRAY
CHIEF FIRE OFFICER
30th October 2009**

DRAFT HIFRS Strategic Objectives for 2010/2013

Version 1.0
October 2009

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Strategic Objective	Prevent	Prepare	Respond	Resource
<p>1. Further develop our operational assuredness.</p> <p>Implement the actions from the Improvement Plan following on from the 2008 Assessment of Service Delivery, which focused on Risk Analysis, Operational Preparedness, Incident Support, and Emergency Response</p> <p>Benefits: An effective and efficient emergency response to all incidents.</p> <p>Outcomes: Ensuring that the Service's operational capability remains consistent with "Best Practice".</p> <p>Responsibility: Chief Fire Officer</p> <p>Linked to National Objectives: 4, 6, 9, 12, 15</p>	✓	✓	✓	✓
<p>2. Continue to progress the IRMP Risk Review of the Service area.</p> <p>Following the completion of the Risk Review stage 1 dealing with Capital Build Programme priority, using the methodology employed, progress stages 2, 2a to further review sustainability and performance issues with a view to commencing stage 3 of the Risk Review, being an analysis of the interaction of risk between areas of the Service.</p> <p>Benefits: Maximising the contribution each station makes to enhancing life safety and the wellbeing of local communities.</p> <p>Outcomes: A measurable improvement in the ability of the Service to respond to life critical incidents.</p> <p>Responsibility: Head of CRM</p> <p>Linked to National Objectives: 2, 15</p>	✓	✓	✓	✓
<p>3. Further develop our Integrated Risk Management Plan.</p> <p>Through the continued application of the principles of IRMP the Service will further develop protection, prevention and intervention strategies which will enhance safety within our communities. Whilst we will continue to deliver Community Fire Safety education and information the Service will also consider the best way in which our resources are allocated to maximise our capacity to save lives.</p> <p>Benefits: The safety of the communities served by the HIFRS will be enhanced</p> <p>Outcomes: Effective Community Safety together with appropriate levels of Fire Safety enforcement will be considered against the level of risk identified and the intervention resources provided.</p> <p>Responsibility: Head of CRM</p> <p>Linked to National Objectives: 4, 6, 8, 9, 11, 15</p>	✓	✓	✓	✓

Strategic Objective	Prevent	Prepare	Respond	Resource
4. Further develop operational competence at all levels.		✓	✓	✓
<p>Implement the strategy to deliver and maintain operational competence using a best value and risk based approach to determine priorities and methods of delivery</p> <p>Benefits: Maximising the efficiency of the service through ensuring staff skills and competencies match the needs of the Service</p> <p>Outcomes: Fully defined set of key skills and operational competences for Service staff.</p> <p>Responsibility: Head of People Services</p> <p>Linked to National Objectives: 2, 4, 6, 15</p>				
5. Develop our retained availability management.		✓	✓	✓
<p>Consolidate the roll out of the retained availability management system through integration of the payroll functions of the system with the off-run notifications components.</p> <p>Benefits: Improved service to the communities we serve</p> <p>Outcomes: Efficient and effective deployment of retained staff</p> <p>Responsibility: Head of Operations</p> <p>Linked to National Objectives: 2, 6, 15</p>				
6. Further participation in the Community Planning Partnerships of each constituent authority to contribute to achieve Single Outcome Agreements objectives.	✓	✓	✓	✓
<p>Contribute to achieving the Community Planning objectives, ensuring that the Service's corporate objectives are reflected in and positively contribute to our constituent authorities' Single Outcome Agreements</p> <p>Benefits: Improved community safety, partnership working and a better awareness of how our Service can contribute to achieving the five strategic objectives as detailed in the Scottish Government's National Performance Framework</p> <p>Outcomes: progression of the five strategic objectives as detailed in the Scottish Government's National Performance Framework</p> <p>Responsibility: Assistant Chief Fire Officer</p> <p>Linked to National Objectives: 4, 6, 8, 9, 10, 11, 12, 15</p>				

Strategic Objective	Prevent	Prepare	Respond	Resource
7. Develop the IT infrastructure.		✓		✓
<p>Continue to further develop our Service Information Technology network which will result in greater efficiency of operation across all Departments of the Service</p> <p>Benefits: Personnel across the Service will have access to information relevant to their needs when required.</p> <p>Outcomes: Upgrade and enhance existing facilities to encompass change and improvements in technology and communication</p> <p>Responsibility: Area Manager Operations Support</p> <p>Linked to National Objective: 15</p>				
8. Enforce the Fire Scotland Act.	✓			
<p>Having become the enforcing authority for the Fire (Scotland) Act 2005 Part 3 the Service is required to sample high risk premises to ensure appropriate levels of fire safety are being provided by the responsible person.</p> <p>Benefits: Reduced risk throughout the Service area.</p> <p>Outcomes: The undertaking of appropriate risk based audits on high risk premises.</p> <p>Responsibility: Area Manager CRM Department</p> <p>Linked to National Objectives: 8, 10, 12, 15</p>				
9. Develop the flooding response capability.		✓	✓	✓
<p>Develop the appropriate Operational Procedures, Protocols and Policy to support the additional equipment issued through the Scottish Resilience Programme (formerly New Dimensions) Water Capability Workstream as well as identifying and training the appropriate personnel to facilitate the discharge of the statutory function as detailed within the Fire (Additional Function) (Scotland) Order 2005.</p> <p>Benefits: Compliance with Fire (Additional Function) (Scotland) Order 2005. Enhanced safety for responding personnel.</p> <p>Outcomes: A declared flooding response capability suitable for local intervention as well as supporting Scottish and National resilience.</p> <p>Responsibility: Area Manager Ops Support</p> <p>Linked to National Objectives: 12, 15</p>				

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Strategic Objective	Prevent	Prepare	Respond	Resource
10. Review and develop our Environmental Strategy.				✓
<p>Develop the appropriate Operational Procedures and Policy to support the Environmental Pod provided by the Scottish Government through the Scottish Resilience Programme (formerly New Dimensions).</p> <p>Benefits: Enhanced environmental protection capability that will dovetail with and complement the work of our partner agencies as well as satisfying the needs of the national MOU with SEPA.</p> <p>Outcomes: A declared Environmental Protection response to enhance local capability and contribute to Scottish and National Resilience.</p> <p>Responsibility: Area Manager Ops Support</p> <p>Linked to National Objectives: 4, 12, 14, 15</p>				
11. Implement the Single Status Agreement				✓
<p>Implement the Single Status scheme as per the terms of reference agreed with unions for the support staff.</p> <p>Benefits: Ensures Equality of pay for support staff</p> <p>Outcomes: Compliance with employment legislation</p> <p>Responsibility: Head of People Services</p> <p>Linked to National Objectives:</p>				
12. Review the Service's operations to ensure that Best Value principles are being applied and implemented consistently	✓	✓	✓	✓
<p>Prepare for implementation of the PSIF self-assessment framework</p> <p>Benefits: Assists with compliance on Best Value requirements</p> <p>Outcomes: Self-assessment improvement plan</p> <p>Responsibility: Chief Fire Officer</p> <p>Linked to National Objectives: 15</p>				

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