

REPORT OF THE TREASURER

MEDIUM TERM FINANCIAL PLAN

1 Purpose of Report

This report draws out a projection of financial trends for the Fire Authority, consistent with current service plans and based on assumptions agreed at earlier meetings. The report is for noting and taking into account in developing future service and financial planning. The Medium Term Financial Plan is attached as an appendix.

2 Recommendations

Members are requested to note the report at this stage.

3 Background

Members asked that the Plan should be updated when the Provisional Grant Settlement was announced. It was also agreed that Government Grant should be projected to grow at 2.5% per year, and that income from Council Tax should be projected at 4.5% a year. Growth in income from local tax payers is **not** the same as the increase in the precept. That will depend on the growth in the Council Tax base. The projections are attached as an appendix to this report.

4 Main Features in the Projections

The projections are only as helpful as the validity of underlying assumptions. These are:

Expenditure

- a) Pay and prices increase by 3.5% and 2.5% per year, respectively;
- b) Projected capital programmes are used to estimate the growth in revenue financing costs;
- c) Any new developments are financed by efficiencies; and
- d) The Regional Control Room changes involve a net zero cost.



Income

- a) Government Grant projections for 2007/08 are received and grow at 2.5% per year thereafter; and
- b) Council Tax income grows at 4.5% each year.

The consequences of this show that, by 2008/09, a funding deficit will arise. This is caused by the effect of the retained review, inflation and the capital programme growing faster than the assumed increase in grant and Council Tax. This, however, stabilises and deficits are removed and surpluses develop from 2012/13.

This can only be seen as background information at this time. The picture will become clearer as Integrated Risk Management Planning work progresses, and more details of regional issues are released, noting the costs of regional control rooms.

5 Legal Comment

There are no legal implications arising directly from this report.

6 Equality and Diversity Implications

There are no equality or diversity implications arising directly from this report.

7 Appendix

Medium Term Financial Plan

8 Background Papers

There are no background papers associated with this report.

For further information about this report please contact Keith Dixon, Treasurer on 01743 260202.



Putting Shropshire's Safety First

Appendix to report on Medium Term Financial Plan Shropshire and Wrekin Fire Authority Strategy and Resources Committee 19 January 2006

Medium Term Financial Plan

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Service Plans										
Community Safety										
Wholetime Staff	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870	4,870
Retained Staff	2,150	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070
Incident Command	510	510	510	510	510	510	510	510	510	510
Fire Control	560	560	560	560	560	560	560	560	560	560
Community Fire Safety	460	460	460	460	460	460	460	460	460	460
Fire Safety Enforcement	480	456	456	456	456	456	456	456	456	456
Retained Review		824	919	1,017	1,108	1,108	1,108	1,108	1,108	1,108
Integrated Risk Management Planning		(169)	(169)	(169)	(169)	(169)	(169)	(169)	(169)	(169)
Personal Development, Human Resources and Training	1,243	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277
Resources, Executive and Performance Improvement	1,370	1,406	1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426
Premises	831	844	844	844	844	844	844	844	844	844
Vehicles	516	513	513	513	513	513	513	513	513	513
Supplies and Services	950	968	968	968	968	968	968	968	968	968
Financing Costs	795	736	673	623	623	623	623	623	623	623

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Administrative Costs	735	777	777	777	777	777	777	777	777	777
Provisions, Reserves and Contingencies	629	0	0	0	0	0	0	0	0	0
Pensions	2,030	1,708	1,863	2,048	2,030	2,030	2,030	2,030	2,030	2,030
Income	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)
Total	17,948	17,629	17,836	18,069	18,142	18,142	18,142	18,142	18,142	18,142
Revenue Consequences of Capital		64	304	568	702	790	910	1,039	1,162	1,162
Developments/Efficiencies	-	0	0	0	0	0	0	0	0	0
Regional Control Room	-	-	-	0	0	0	0	0	0	0
Total Expenditure	17,948	18,163	19,110	20,107	20,849	21,548	22,200	22,929	23,672	24,312
Resources										
Revenue Support Grant/ National Non Domestic Rates	7,219	6,786	7,256	7,437	7,623	7,813	8,009	8,209	8,414	8,625
Council Tax	10,729	11,376	11,889	12,424	12,983	13,567	14,178	14,816	15,483	16,179
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Total Resources	17,948	18,162	19,145	19,861	20,606	21,381	22,187	23,025	23,897	24,804
Surplus/(Deficit)	0	(1)	35	(246)	(243)	(167)	(13)	96	225	492