

Service and Budget Planning

Report of the Chief Fire Officer and Treasurer

For further information about this report please contact Alan Taylor, Chief Fire Officer, on 01743 260201 or Keith Dixon, Treasurer, on 01743 260202.

1 Purpose of Report

This report proposes a service and budget planning process, for approval by the Fire Authority on 18 July 2007.

2 Recommendations

The Committee is asked to agree a budget and service planning process as outlined in the report and scheduled in the appendix.

3 Background

The current process of financial management is summarised by the Audit Commission as follows:

“The Authority’s performance plan (that sets its aims and objectives) is linked to its departmental business plans and financial planning and management. Budgets and the capital programme are based on robust medium-term financial projections and risk assessments.”

The following improvement opportunities were highlighted:

- i The Medium Term Financial Plan (MTFP) should describe, in financial terms, joint plans with partners and other stakeholders over a minimum of three years;
- ii Shared priorities identified in the Performance Plan 2006-08 should be monitored via departmental business plans and clearly evidenced;
- iii The Authority should proactively manage future developments that may have impact on its financial management arrangements, e.g. budget risk assessment in a section of the MTFP.



The current system is working well, and has been endorsed by our auditors, but the improvement opportunities have been taken into account in modifying this year's process.

4 Existing Procedures

The Fire Authority must continue to ensure that the Performance Plan's agreed aims and objectives are linked to individual business plans, to the MTFP, and to specific plans, such as Integrated Risk Management Planning (IRMP). These should all then link into the process and timetable for producing the Authority's budget.

It is proposed that this be done as follows:

April, May, June

- i Develop the Performance Plan and MTFP for approval by the Fire Authority. Develop joint plans with partners and clarify budget risks.
- ii Work up budget process proposals for approval by the Fire Authority.
- iii Initiate work on the IRMP Action Plan.

July

The Fire Authority approves the Budget Plan and also the IRMP Action Plan for consultation.

July, August, September

- i Officers review and monitor Business Plans, particularly revenue and capital budgets, and financial plans with partner organisations.
- ii Officers review overarching issues, such as pay awards and price changes.
- iii Business Plan Managers consider the need for budgets to meet changing demands on services, and the Authority's objectives.
- iv Officers consider and review the scope for efficiencies and the potential implications for reduced services depending on the prospects for available resources.
- v Officers roll forward the three-year capital programme and prudential guidelines. Completed schemes are reviewed and new project appraisals developed.
- vi Officers review budget risks highlighted in the MTFP, and the level and nature of reserves and provisions.

October, November

Members consider the build-up of the budget and especially:

- a) Base budget review
- b) Pay and prices
- c) Service growth



- d) Efficiencies and savings
- e) Revenue costs of capital
- f) Changes to reserves and provisions

Particular attention will need to be paid to possible variations in response to differing levels of resources.

Late November / December

Members will need to take account of a late announcement of Government spending plans, and the implications for the Fire Authority's grant and precept. The IRMP action plan will also need to be co-ordinated with likely service and resource issues.

January

Members will review their options and consult with the public and stakeholders.

February

The Fire Authority sets the precept.

5 Timetable

The process outlined in section 4 above is shown in the attached appendix, which demonstrates how the various aspects of service and financial planning are integrated.

6 Financial Implications

There are no direct financial implications arising from this report.

7 Legal Comment

There are no direct legal implications arising from this report.

8 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

9 Appendix

Strategic Planning Timetable



10 Background Papers

Shropshire and Wrekin Fire Authority

Strategy and Resources Committee, 25 May 2006, Report 5 - Service and Budget Planning

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	*
Business Continuity Planning		Legal	*
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment	*	Operational Assurance	
Efficiency Savings	*	Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	*
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*



Strategic Planning Timetable

Month	Financial Plan	Performance Plan	Medium Term Financial Plan	Integrated Risk Management Plan	Partnership Plans
April		Develop Business Plans		Action Plan published	
May	Produce budget booklet Develop proposals at Strategy and Resources Committee	Develop improvement priorities, capacity building needs and proposals. Strategy and Resources Committee agrees performance targets.	Develop proposals at Strategy and Resources Committee	Develop draft Action Plan	Partnership Assessment Group flags up to Lead Officers necessity to advise of budget and resource requirements
June	Fire Authority agrees accounts	Fire Authority agrees final version prior to formal release on 30 June	Fire Authority agrees Plan		
July	Fire Authority agrees Budget Plan			Fire Authority agrees Action Plan	
August September October	Develop plans for service changes, capital, inflation, reserves etc	Future resource implications inform financial planning	Sensitivity analysis informs financial planning	Consultation	Partnership Assessment Group considers Lead Officers' recommendations and report taken to Strategy and Resources Committee (September)



Month	Financial Plan	Performance Plan	Medium Term Financial Plan	Integrated Risk Management Plan	Partnership Plans
November	Strategy and Resources Committee proposes net expenditure budget	Consider the implications of the National Framework	Update the Plan		
December	Fire Authority agrees budget for consultation in light of grant, tax base etc	Strategic Planning Workshops		Fire Authority endorses Action Plan	
January	Consultation				
February	Fire Authority agrees precept		Plan agreed after considering the impact of the budget	Published and implemented	Confirm plans and budgets with partners
March		Develop Business Plans			

