

WILTSHIRE & SWINDON FIRE AUTHORITY

REPORT REFERENCE NO.	9
MEETING	Wiltshire and Swindon Fire Authority
MEETING DATE	12 February 2015
SUBJECT OF REPORT	Revenue Budget 2015/16 and Fire Precept Resolution (Amended for the final financial settlement announced 4 th February and Council Business Rates Returns)
LEAD OFFICERS	Simon Routh-Jones, Chief Fire Officer & Chief Executive Phil Chow, Brigade Manager
RECOMMENDATIONS	<p>Members are asked to approve the Revenue Budget, Precept Requirement and Fire Precept Band D to apply for 2015/16, with the consequential Fire Precept levels at each band.</p> <p>Two options are identified for the Fire Precept Band D as detailed below:-</p> <p>Option 1 – Fire Precept Band D be set at £64.88 and Precept Requirement of £15,474,000 and Net Revenue Budget 2015/16 be approved at £24,785,600 with a contribution from balances of £178,700; or,</p> <p>Option 2 – Fire Precept Band D be set at £63.62, and Precept Requirement of £15,173,500 and Net Revenue Budget 2015/16 be approved at £24,785,600 with a contribution from balances of £314,400.</p> <p>It is strongly recommended that of the options, Option 1 be approved.</p>
EXECUTIVE SUMMARY	This report gives details of the Finance Settlement for 2015/16, introduces the proposed budget for 2015/16, allowing Members to discuss the budget implications arising, and puts forward proposals for Members to then approve a Fire Precept Band D for the financial year 2015/16.
APPENDICES	<p>Appendix A: Summary Revenue Budget 2015/16</p> <p>Appendix B: Fire Precept Implications arising from the proposed budget</p>

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Introduction

- 1 The purpose of this report is to:
 - Give details of the Finance Settlement for 2015/16;
 - Introduce the Fire Authority's proposed budget for 2015/16;
 - Allow discussion of the budget implications arising from the Settlement and related matters; and,
 - Recommend a Fire Precept Band D for the financial year 2015/16.

The Local Government Finance Settlement

- 2 The annual local government finance settlement is concerned with the distribution of revenue raised from business rates, through business rates retention, and the distribution of Revenue Support Grant (RSG). The settlement provides authorities with information on how much RSG they have been allocated for the following financial year.
- 3 In its Spending Reviews, the Government decides how much it can afford to spend and reviews its expenditure priorities. In October 2010, the Government announced the results of the Spending Review that set the framework for Government support to local government, which includes the Fire Sector, from 2011/12 to 2014/15. In June 2013, the Government announced the results of the Spending Round that set the framework for Government support for 2015/16. Future Spending Rounds will determine how much funding is available for future years.
- 4 The Finance Settlement 2015/16 has now been confirmed (4th February 2015) for 2015/16 by DCLG (Department for Communities and Local Government) and is broadly unchanged from the provisional settlement announced on 18th December 2014. Included in the finance settlement was the establishment of the threshold at which a referendum may be required, set at 2% for 2015/16.
- 5 The way in which all Local Authorities (LAs) are funded changed for 2013/14 and under these funding arrangements each authority has been allocated a 'Settlement Funding Assessment (SFA) for 2015/16 consisting of two elements:
 - Revenue Support Grant; and,
 - Baseline Funding Level (Business Rates and Top up Grant).

These together with local income from precepts and other government grants total to an amount assimilated to the Authority's revenue spending power, i.e. the amount of funding available to Wiltshire & Swindon Fire Authority to spend on its core services.

- 6 The Baseline Funding Level is dependent on two factors until a defined reset at the 10 years anniversary point (2023/24) from inception (2013/14), and for this Authority, it represents the sum of:-
 - 1% of the total business rates collected in Wiltshire (Wiltshire Council) and Swindon (Swindon Borough Council); plus,
 - a top-up grant from DCLG.
- 7 Should there be growth in the business communities of Wiltshire and Swindon, business rates retention will increase, subject to a cap defined by Government. Conversely, should there be decline in the business community, business rates retention will reduce, but an element of protection will be included should any reduction be significant.
- 8 The top-up grant was anticipated to increase by the RPI each year. That said this has

been capped and as a result Section 31 grant will be distributed to each authority in lieu of the loss of top up grant. Given the level of government support reductions, this means a significantly reduced Revenue Support Grant allocation.

- 9 The Final Settlement Funding Assessment 2015/16 shows the total funding (excluding precept income) which will come from Central Government and through the Business Rates Retention Scheme to be £8,893,064 for 2015/16, a reduction of £851,601 in funding or 8.74%. However, this is the amount expected to be funded through grants and business rates income, but included in the final declared by both Wiltshire Council and Swindon Borough Council on Business Rates Retention income due to the Fire Authority, the amount expected to be received is less than that anticipated in the provisional settlement by £29,833.
- 10 For 2015/16, Council Tax Freeze Grant (CTFG) equivalent to £0.165m or 1% (equivalent increase in fire precept band D in lieu of increasing the fire precept band D in 2015/16), has been offered should the Authority chose to not increase the fire precept band D. The offer is only available to those authorities who freeze their fire precept band D, and will be added into the base funding. Members should be aware that although CTFG for 2015/16 is to be subsumed into the base funding, future cuts and funding reductions introduced will be applied to RSG base funding, and therefore will be subject to future reductions.
- 11 This Fire Authority is one of the lowest 'spending per capita' Combined Fire Authorities in England. Whilst this demonstrates value for money, this disadvantages us in that we have a low base from which to start. Small percentage increases in the Fire Precept Band D do not represent large amounts of resources, i.e. typically a 1% increase in Band D approximates to around £0.150m. It must be emphasised that, unlike other services such as Unitary Authorities, the Fire & Rescue Service is a "single service" operation which is totally focussed on its prevention, protection and emergency intervention activities. There remains, therefore, considerably less room to manoeuvre in reductions of service.

Budget 2015/16

- 12 The net expenditure budget proposals for 2015/16 as set out in Appendix A to this report, are established at £24,785,600 showing an almost standstill position on the budget with a small reduction of £0.018m from the 2014/15 budget. The Fire Precept Band D implications of the budget proposals are given in Appendix B.
- 13 The processes adopted in establishing the proposals for 2015/16 were discussed at the workstreams meetings of the Programme and Scrutiny Board, followed by the budget seminar held on 29 January 2015, and as a result of further information from both Wiltshire Council and Swindon Borough Council since the seminar, the budget position has been amended. Greater involvement into the process was achieved through these workstream meetings, and the budget seminar, to which all Members were invited.
- 14 Managers were asked to formulate budget plans to deliver their service plans in line with the strategic priorities and the Public Safety Plan (formerly the Integrated Risk Management Plan (IRMP)), in consultation with Members within their workstreams of the Programme and Scrutiny Board, culminating in the budget proposals put forward in this paper.
- 15 Wiltshire FRS is a predominantly employee based service (circa 75%+ of budget is employee related, accounting for £19m), of which the majority of these costs (staffing) rise annually for the national pay award, plus oncosts e.g. National Insurance and Pensions.

16 Clearly in setting the budget, an initial position has been established with the following options as identified at the Member budget seminar on 29 January 2015, namely:-

- Option 1: Increase the fire precept band D by £1.26, the maximum amount of increase without having to hold a referendum;
- Option 2: Do not increase the fire precept band D and accept the Council Tax Freeze Grant for 2015/16.

	2014/15	2015/16	2015/16
		Budget Proposal Option 1	Budget Proposal Option 2
Taxbase (Band D equiv)	233,580	238,502	238502
Fire Precept Band D(£) 2014/15	£63.62		
Fire Precept Band D Increase(£)		£1.26	£0.00
Fire Precept Band D Increase(%)		1.98%	0%
Fire Precept Band D(£) 2015/16		£64.88	£63.62
Total Precept (£m)	14.860	15.474	15.173

	2014/15	2015/16	2015/16
	Approved Budget £m	Budget Proposal Option 1 £m	Budget Proposal Option 2 £m
Employees	19.135	19.382	19.382
Other Costs	5.967	5.403	5.403
Approved Budget	25.102	24.785	24.785
Revenue Support Grant	-5.530	-4.598	-4.598
NNDR and Top Up	-4.219	-4.265	-4.265
Total Government Support	-9.749	-8.863	-8.863
Specific Grants (e.g. CTFG)	0.000	0.000	-0.165
Collection Fund Surplus	-0.195	-0.270	-0.270
Precept (as above)	-14.860	-15.474	-15.173
Total Funding Available	-24.804	-24.607	-24.471
Surplus (-)/Deficit(+)	0.298	0.179	0.314

17 Given the taxbase changes, collection fund adjustments and the new funding arrangements, a budget shortfall is expected despite reductions in staffing and other costs being achieved. General balances will need to be used to support the shortfall, and depending on which fire precept option is taken. Members will need to be mindful that the use of balances will affect the future financial position and the Authority's ability to deliver

the Service.

- 18 The Authority, over the last few years, has restricted development and cost increases with little or no detriment to frontline service delivery, continuing to maintain a focus on delivering a high level of operational standards through the prevention, protection and emergency intervention approach. This focus has been reaffirmed through the Programme and Scrutiny Board and the Members' budget seminar as remaining of paramount importance to protect the public. Non-salary expenditure has been limited and in many cases there has been little or no growth, except where areas of high priority and risk have required growth and investment. 2015/16 will be the seventh year in which, in general, non salary expenditure has been 'cash limited' for the majority of budget heads, i.e. many budget heads seeing very little or no cash increase at all over the last seven years.
- 19 It was also recognised that in developing budgets with staffing costs in excess of 75% of the total budget, that should the Authority require significant reductions in spending, this would have to be met by targeting these budgets, as it is no longer sustainable to continue to reduce non-salary related budgets significantly. The Strategic Transformation Programme and the combination proposals with the Dorset Fire Authority were established as a result to develop our future service provision and deliver efficiencies to meet the financial challenges.
- 20 In establishing the plans for 2015/16, a number of considerations and assumptions have been made:-
 - A pay award provision has been made at 2% for 2015/16 as although pay awards have been at around 1% over the last few years, there are additional impacts which mean that the real staffing costs increases are more than 1%. Actual increases for staff are in excess of 1% when allowing for the additional costs of funding the ever growing pension liability, alongside annual changes in national insurance rates and levels.
 - It is expected that through natural wastage i.e. resignations, retirements and vacancy management, and through service realignment, efficiencies and posts becoming redundant throughout the year, the service will be able to reduce its staffing base again in 2015/16 to mitigate the use of reserves to balance the budget;
 - Each year the billing and collecting authorities (Wiltshire Council and Swindon Borough Council) collect the fire precept band D (or equivalent) due in year and due in respect of previous years. They make certain assumptions on collection rates, and inevitably at the year end, they are either in surplus or in deficit against their plans. Both collecting authorities have notified us that their collection fund balances in respect of the council tax (and therefore fire precept band D) are in surplus, therefore we expect to receive an additional one-off £0.332m in respect of the surplus balances accumulated, reducing the burden in raising the fire precept band D in 2015/16. Following the changes in the Business Rates Retention Scheme, the billing and collecting authorities now notify us of the surpluses and deficits on the collection fund in respect of National Non-Domestic Rates (business rates). An estimated combined deficit has been provisionally declared amounting to £0.062m. The net overall collection fund surplus for 2015/16 is £0.270m.
 - With the introduction of the 2015 Fire Pension Scheme, it is still unclear what the new employer contribution rates are in relation to the 1992 Scheme, 2006 Scheme and the new 2015 Scheme. The 2015/16 budget includes a contingency of £100,000 as an estimate of the additional costs.

Budget Risks, Reserves and Robustness of Estimates

- 21 The Budget has been produced and makes provision for the development of the service, in particular the demands associated with the priorities within our strategic priorities and our Public Safety Plan. However, it remains to be seen whether this provision will be adequate to meet the Authority's longer-term needs.
- 22 The Authority has a good track record in budgetary control and it is most likely that any unforeseen resource requirements can be contained with the continued proactive management of the Authority's budgets.
- 23 Including the year end position (latest reported underspending circa £0.9m as at the end of October 2014), general reserves at 31/03/15 are expected to be around £2.7m. The Authority's new policy on General balances is to maintain a minimum level of £1.5m. They are therefore adequate at present, however, given the financial pressures and the current economic environment in which we live, the depletion of the reserves is becoming a significant issue.
- 24 In establishing a budget for 2015/16 and proposals for increases in the fire precept band D for 2015/16, it was always envisaged that general reserves would be required to balance the budget for 2015/16, allowing time for the implementation of the Strategic Transformation Programme and proposed combination with Dorset Fire Authority. In order to balance the budget for 2015/16, strategic use of general reserves of £0.239m, £0.375m (increase of £1.26 in fire precept band D or no increase respectively) will be required dependent on which option is chosen. General Balances will therefore be depleted further.
- 25 Earmarked reserves (sums set aside for specific purposes) estimated at the end of the financial year (as at 31/03/15) total £5.139m (see details below).

	Balance 01/04/14	Estimated Use 2014/15 £m	Projected Outturn Variance 2014/15 £m	Estimated Balance 31/03/15 £m
General Reserves/Balances	2.087	-0.298	0.903	2.692
Earmarked Reserves				
Hydrants Reserve	0.119			0.119
Ill Health Retirement Reserve	0.620	-0.059		0.561
Insurance Reserve	0.050			0.050
PTW (Pensions) Reserve	1.000			1.000
Transformation Improvement Reserve	1.511			1.511
Community Safety Innovation Reserve	0.050			0.050
Training Reserve	0.035			0.035
Equipment Reserve	0.200	0.100		0.300
Business Rates Funding Reserve	0.100			0.100
Car Scheme Liability Reserve	0.049			0.049

Planning Gain (Capital) Reserve	0.022			0.022
Combined Control Contingency	0.500			0.500
NFCSP Reserve	1.254	-0.412		0.842
Total Earmarked Reserves	5.510	-0.371	0.000	5.139
Unused Grants	0.457		0.000	0.457
GRAND TOTAL	8.054	-0.669	0.903	8.288

Whilst earmarked reserves look healthy, they have been established for specific purposes to meet future liabilities, and therefore are not available for general use.

- 26 Under Section 25 of the Local Government Act 2003, the Treasurer, as designated under Section 151 of the Local Government Act 1972 and Section 112 of the Local Government Finance Act 1988, is required to report to the Authority when setting its Fire Precept Band D on two issues:
 - the robustness of the estimates included in the budget; and
 - the adequacy of the financial reserves in the budget.
- 27 The Treasurer's views on the adequacy of the Authority's reserves are given above. The estimates have been prepared in most cases, on zero based principles and in the remaining cases an incremental basis; based on existing commitments, adjusted for inflation, increments and other unavoidable cost-drivers, and take into account variations in service provision. Priorities have been set by senior management and resources aligned through the budget process accordingly.
- 28 The budget at Appendix A can be regarded as robust, and although there are risks in the 2015/16 budget, as with any budget, those risks are manageable given the budgetary control arrangements the Authority has, and have been taken into account in advising on the level of general reserves at this present time.

Fire Precept Band D, Referenda and Council Tax Freeze Grant

- 29 Funding of Wiltshire & Swindon Fire Authority is primarily through a number of income streams, namely:-
 - Government Support (Grants)
 - Precept Income (fire precept band D)
 - Business Rates Retention; and,
 - Specific Grants.
- 30 Government Support (excluding Council Tax Freeze Grant and Council Tax Subsidy Scheme) for the Fire Service has reduced by nearly 30% over the five year period 2011/12 to 2015/16 with further reductions beyond 2015/16 expected. The Settlement Funding Assessment as per paragraph 9 above shows indicative figures for 2015/16. The settlement for 2015/16 means that this Authority is due to receive a decrease of £0.881m (9.05%) funding from that assessed in 2014/15.
- 31 Precept Income is funding which is demanded from our billing and collecting authorities, i.e. Wiltshire Council and Swindon Borough Council, and is based on the taxbase (number of equivalent Band D properties) and the fire precept band D levy. The fire precept band D is that which Members are required to set and approve.
- 32 The taxbase (number of equivalent band D properties) on which precept income is

based has increased for 2015/16 more than expected, from 233,580 to 238,502 an increase of 2.1%. This is generally good news and has meant an added bonus of approximately £0.170m additional income than expected and planned as a result of the taxbase increasing. The percentage increase is not guaranteed to re-occur in future years.

- 33 Business rates are estimated and collected by Wiltshire Council and Swindon Borough Council and of the total collected 1% is attributed and paid to this Authority each year under the Business Rates Retention Scheme. Both Wiltshire Council and Swindon Borough Council are required to notify Wiltshire & Swindon Fire Authority by 31 January 2015 of the amount it anticipates will be paid to the Authority in respect of 2015/16.
- 34 Specific Grant is also allocated to public authorities dependent on Government plans and strategies and is earmarked and allocated to individual authorities based on specific criteria set by the Government. The Council Tax Freeze Grant 2015/16 is one such grant which will be allocated to all those authorities who do not increase their fire precept band D in 2015/16 (Option 2). Any increase in fire precept band D, however small, will give rise to that authority being excluded from receiving Council Tax Freeze Grant 2015/16.
- 35 The level of grant is determined by Government and indicative figures have been allocated for this authority should we not increase the fire precept band D in 2015/16 amounting to a one off amounts of £0.165m in 2015/16. This is in lieu of increasing the fire precept band D equivalent to 1%. However, increasing the fire precept band D will preserve funds within the precept as it will be in the base income, unless the Authority decides to reduce the Precept.
- 36 Should any Authority set an increase in their precept band D and forego the Council Tax Freeze Grant, if the increase is deemed excessive, a referendum will be required.
- 37 Under the Localism Act 2011, authorities are required to hold a referendum on precept band D increases should they increase their relative basic amount in excess of the principles determined by the Secretary of State and approved by the House of Commons. The Secretary of State proposes the precept band D principles he is minded to set, and the Fire Authority will be required to seek the approval of their electorate in a referendum if, compared with 2014/15, the Precept Band D increase exceeds a percentage set at 2% for 2015/16.
- 38 Where we deem our increase to be excessive, and in accordance with the Governments principles we must notify the billing authority, who will be required to arrange a referendum.
- 39 If this was the case, we must also issue 'substitute precepts' to our billing authorities Wiltshire Council and Swindon Borough Council, based on 'substitute calculations' to produce a relevant basic amount of precept band D which does not exceed the excessiveness principle. If the electorate fail to approve our precept in the referendum, the substitute precept would take effect.
- 40 Any costs incurred in holding a referendum in both Wiltshire and Swindon would fall on the authority triggering the referendum, and we would normally expect to incur costs in excess of £1m to hold a referendum without any cost sharing arrangements. In 2015, this is likely to be less if the referendum was carried out at the same time as the General Election in May 2015 and we are awaiting to hear from both Wiltshire Council and Swindon Borough Council of indicative costs but they are still expected to be around the £0.5m mark.

- 41 It is therefore recommended that Members discount establishing a fire precept band D increase in excess of the threshold limit (currently 2%) for 2015/16 as the costs of such would outweigh the financial gain by doing so, and the risk of doing so and being successful is very low. However given the financial circumstances the Authority is facing the Authority might consider holding a referendum in future years.
- 42 In discussing the merits of the options for Members to pursue following the budget seminar on 29th January, only two options are proposed:-
- **Option 1** – Fire Precept Band D be set at £64.88 and Precept Requirement of £15,474,000 and Net Revenue Budget 2015/16 be approved at £24,785,600 with a contribution from balances of £178,700; or,
 - **Option 2** – Fire Precept Band D be set at £63.62, and Precept Requirement of £15,173,500 and Net Revenue Budget 2015/16 be approved at £24,785,600 with a contribution from balances of £314,400.
- 43 The impact of option 2 over and above option 1, is that given the planning assumptions on future years rises in fire precept band D, pay award, inflation and income, further steeper budget reductions, savings and/or additional income will be required.
- 44 Option 1 would mean an increase in fire precept band D of £1.26 per band D household per year, which equates to 2.4 pence per week or 0.34 pence per day (one third of a penny).
- 45 In establishing the 2015/16 budget to include either Council Tax Freeze Grant or raising the fire precept band D (by £1.26, below the referendum threshold of 2%) a contribution from reserves/general balances is required. In order to protect the long term financial position of the Authority, the Treasurer strongly recommends that the Council Tax Freeze Grant is not taken, and that an increase in fire precept band D of £1.26 is approved (Option 1). Taking the Council Tax Freeze Grant for 2015/16 will further compound funding pressures already resulting from taking previous Council Tax Freeze Grants in 2011/12 and 2012/13 and 2013/14.
- 46 Members unanimously approved in November 2014 to pursue the combination of the Wiltshire and Swindon Fire Authority and the Dorset Fire Authority on 1 April 2016. One of the factors on combination would be the equalisation of the fire precept band D. Currently the Dorset Fire Authority precept is approximately £3 higher than that of ours, which under combination would need to be equalised within a reasonable timescale. The Dorset Fire Authority will be taking a decision on their fire precept band D, as part of their financial strategy and therefore if they chose to increase theirs, by not increasing ours similarly in line with our financial strategy, the fire precept band D differential will significantly widen.

Medium Term Financial Strategy (MTFS) Update

- 47 It is important when establishing the budget for 2015/16 to take cognisance of future pressures likely to affect the Authority, if it were to continue as a standalone Authority, and in that respect an update of the MTFS has been carried out. However, this will be fundamentally reviewed should the combination with the Dorset Fire Authority proceed. Given the impact of the Government grant funding reductions (paragraph 9) and the loss of specific grant e.g. Council Tax Freeze Grants, and the assumptions identified above the projected impact on future budgets has been modelled should the Authority continue to spend and provide services as it does at present.
- 48 It can be clearly seen that further reductions in the budget are required ranging from

£1.3m in 2016/17 to £2.1m in 2019/20, by which time general balances will have been exhausted (in 2017/18). This also assumes increases in fire precept of 2% annually, and taxbase increases of 1.5% annually, therefore the shortfall would be worse if increases in fire precept band D and taxbase were not achieved.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Indicative Budget	24.786	25.381	25.911	26.286	26.668
Additional Budget Pressures					
- Changes in NI		0.250	0.250	0.250	0.250
- Non salary Inflation		0.082	0.083	0.085	0.086
Net Spending Proposals	24.786	25.713	26.244	26.620	27.004
Funding					
Precepts (@1.99% plus increased taxbase 1.5%)	-15.474	-16.018	-16.583	-17.166	-17.770
Collection Fund surpluses	-0.270	0.000	0.000	0.000	0.000
Government Support					
- Revenue Support Grant	-4.598	-4.027	-3.481	-2.959	-2.460
- NNDR & Top Up Grant	-4.265	-4.377	-4.461	-4.546	-4.633
Total Funding	-24.607	-24.422	-24.525	-24.671	-24.862
Net Shortfall(+)/(Surplus(-))	0.179	1.291	1.719	1.949	2.141
General Balances (opening)	2.692	2.513	1.222	-0.497	-2.446
Use of Reserves	-0.179	-1.291	-1.719	-1.949	-2.141
General Balances (closing)	2.513	1.222	-0.497	-2.446	-4.587

Policy Implications

- 49 The budget has been prepared to ensure that the Authority's on-going commitments are properly supported and align to our strategic priorities and our Public Safety Plan.

Risks

- 50 All the risk assessed budget proposals, as per appendix A include reductions, cuts and efficiencies which would allow the business priorities to be delivered with the least detriment to service provision. The risk in setting a fire precept band D increase above the 2% level (deemed to be excessive) would trigger a referendum, the cost of which are likely to be significant and would outweigh any benefit gained from raising the fire precept band D.
- 51 In considering the appropriate level of fire precept band D, Members will not only wish to be reminded of the Government's intentions over the next few years to reduce public spending further, but also consider funding certain areas that appear to be on the horizon and therefore, foreseeable.

Examples discussed at the workstreams, Programme & Scrutiny Board and the Members' seminar include:-

- Reduced government support beyond 2015/16, a further 22% reduction in grant funding over the period 2016/17 to 2019/20;
- Public Sector pay proposals (approximately 1%-2%) versus nationally negotiated pay awards;
- Changes in employer contribution rates for pensions and national insurance contributions
- Pensions Funds' actuarial valuations and the knock on impact for employer and employee contributions rising in future years;
- Standards of emergency cover reviews within Wiltshire and Swindon, aligned to major development as originally planned as part of the former Regional Spatial Strategy;
- Significant service changes in preparation of the proposed combination with Dorset FRs; and,
- Strategic Transformation Programme implementation.

HR, Equality and Diversity Implications

- 52 There are no direct human resources, equality and diversity implications except for those included in the budget proposals.

Environmental Implications

- 53 No direct impact, although the budget itself would have environmental implications.

Financial and Legal Implications

- 54 Financial implications form the body of the report. The budget as set out at Appendix A, subject to options approved, would constitute a legal budget.

Recommendations

- 55 Members are asked to approve the Revenue Budget, Precept Requirement and Fire Precept Band D to apply for 2015/16, with the consequential Fire Precept levels at each band.

	Option 1 - Increase Fire Precept Band D	Option 2 - No Increase Fire Precept Band D
Net Spending Proposals 2015/16 to be Financed (£)(X)	£24,785,600	£24,785,600
Fire Precept Band D 2014/15(£)	£63.62	£63.62
Fire Precept Band D 2015/16(£) (A)	£64.88	£63.62
Annual Increase (£)	£1.26	£0.00
Percentage Increase (%)	1.98%	0.00%
Taxbase (Band D Equivalents) (B)	238,502	238,502
Precept Requirement (£)(AxB)	£15,474,000	£15,173,500

Collection Fund Surplus(£)	£269,700	£269,700
Less Government Support		
- Revenue Support Grant(£)	£4,598,200	£4,598,200
- NNDR & Top Up Grant (£)	£4,265,000	£4,265,000
Council Tax Freeze Grant 2015/16(£)	£0	£164,800
Total Funding (£)(Y)	£24,606,900	£24,471,200
Net Deficit from(+)/Surplus to(-) Balances(£) (X-Y)	£178,700	£314,400

Two options are identified for the Fire Precept Band D as detailed below:-

Option 1 – Fire Precept Band D be set at £64.88 and Precept Requirement of £15,474,000 and Net Revenue Budget 2015/16 be approved at £24,785,600 with a contribution from balances of £178,700; or,

Option 2 – Fire Precept Band D be set at £63.62, and Precept Requirement of £15,173,500 and Net Revenue Budget 2015/16 be approved at £24,785,600 with a contribution from balances of £314,400.

It is **strongly recommended** that of the options, Option 1 be approved.

Simon Routh-Jones
**Chief Fire Officer and Chief
Executive**

Phil Chow
**Brigade Manager (&
Treasurer)**

Unpublished documents used in the preparation of this report:
None.

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