CAMBRIDGESHIRE
& PETERBOROUGH
FIRE AUTHORITY

BUDGET BOOK 2015/16

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Budget Overview

Background

There are no significant changes to the funding formula for 2015/16. The principles outlined below remain in place:

- Localisation of Business Rates;
- Council Tax benefit localisation;
- Relaxation of capping regime for Authorities with a Council Tax in the lower quartile.

Localised Business Rates

All single purpose fire and rescue authorities are funded through a two percent share of each district or unitary council's business rates income and topped up by central government. To date, there has not been a material impact on this funding source.

Council Tax Localisation

In 2013/14, government changed the funding formula for Council Tax benefit. This change reduced the amount central government funded individual collection Authorities in respect of benefits given for Council Tax. Local collection Authorities chose to protect certain groups who would continue to receive this benefit.

Council Tax Freeze Grant

The government has, once again, offered an additional grant to those Authorities that restrict their Council Tax increase to 1%, thereby effectively freezing the Council Tax charge to households. This Authority's budget has been prepared with a view to taking this additional grant, which will be built into the base funding.

What does it mean?

In summary the Authority will receive a total grant, including Council Tax freeze grant and Business Rate Contributions, of £11,633k.

The Revenue Support Grant and Business Rate Contributions represent £11,448k of this total. This is a reduction of £1,108k over the grant received in 2014/15, equivalent to 8.8%.

The budget has been prepared for the medium term after making a number of assumptions, which are:

- A freeze in Council Tax for 2015/16, accepting the grant of £185k;
- A pay award has been received for support employees, that in part, relates to 2015/16;
- Non pay inflation will be 1.5%

The detailed medium term estimates for the next five financial years, as shown on page 4, include assumptions on the next Comprehensive Spending Review period starting April 2016.

The Budget Build-up: Revenue Expenditure

The budget is built using the input of each budget holder; each budget is reviewed and amended at specific budget holder and finance meetings. The information from each group is then consolidated into the final budget.

Summary of Revenue Expenditure

2014/15 Budget £000		2015/16 Budget £000
	Expenditure	
21,774	Employees	21,501
1,226	Premises	1,243
5,624	Supplies and Services	5,329
520	Transport	514
137	Agency Costs	141
1,970	Capital Financing	1,763
31,251	**Total Expenditure**	**30,491**
-1,917	**Income**	**-1,957**
29,334	**Net Expenditure**	**28,534**

Attached at Appendix 2 is a detailed expenditure forecast.

Inflation

The anticipated costs of inflation between 2014/15 and 2015/16 are £263k, an average of 0.9%.

Pay awards for employees is forecast at 0-1%.

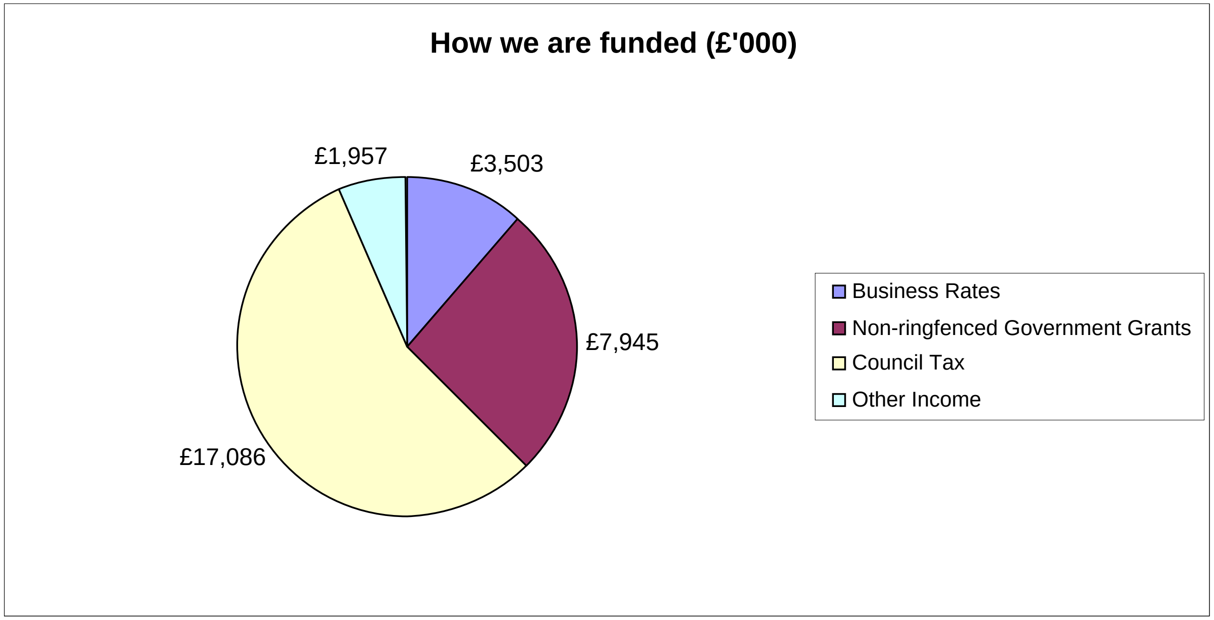
Employer's lump sum pension contribution increase by £65k for support and control room staff.

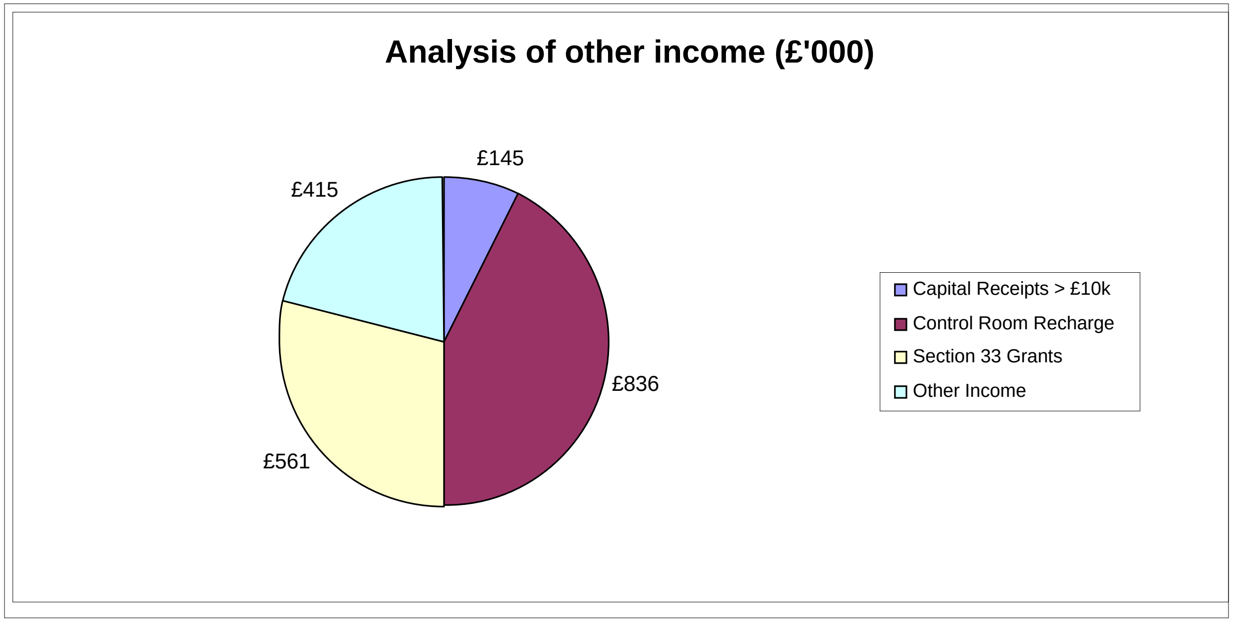
Financing the Budget

	£'000	**%**
Adjusted Budget 2014/15	**29,334**	
Inflation	263	0.9
Budget Savings	-878	-3.0
Special Council Tax Freeze Grant	-185	-0.6
Budget Requirement 2015/16	**28,534**	
Less:		
Revenue Support Grant & NNDR	-11,448	
Recommended Precept 2015/16	**17,086**	

The following page shows the medium term revenue forecast detailing the anticipated budget requirements and the indicative Authority tax rates for 2015/16 to 2018/19.

	Estimate 2015/16		Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21
	£'000	Incr.%	£'000	£'000	£'000	£'000	£'000
Budget (previous year)	**29,334**		**28,534**	**28,201**	**28,115**	**28,056**	**28,034**
Wholetime Firefighters Pay	113						
Retained Firefighters Pay	25						
Fire Control Pay	15		0	0	0	0	0
Local Government Employees Pay (LGEs)	65		58	0	0	0	0
Insurance	0						
Other Price inflation	45						
Inflation	**263**	**0.9%**	**381**	**319**	**318**	**318**	**318**
LGE Staff	69						
Control Room Staff	9						
Firefighters	-165		0				
Operational Activity	-299		0				
Capital Charges	-214		-56	-6	-5	0	0
Operational Fire Budget Contingency	302						
Additional Section 31 Grant	-9						
Other	163		18	18	19	0	0
Budget Variations	**-144**	**-0.5%**	**-38**	**12**	**14**	**0**	**0**
Service Pressures/Efficiency Savings							
Budget Holder Savings	-734	-2.5%	-676	-417	-391	-340	-238
Council Tax Freeze Grant	-185						
Service Pressures/Efficiency Savings	**-919**	**-3.1%**	**-676**	**-417**	**-391**	**-340**	**-238**
Budget Requirement	**28,534**	**-2.7%**	**28,201**	**28,115**	**28,056**	**28,034**	**28,114**
Less:							
Government Grant	-7,945		-7,079	-6,375	-5,697	-5,058	-4,511
National Non-domestic Rates	-3,503		-3,533	-3,586	-3,640	-3,695	-3,750
Fire Authority Precept	**17,086**		**17,589**	**18,154**	**18,719**	**19,281**	**19,853**
Tax Base	**265,892**		**268,445**	**271,844**	**275,116**	**277,867**	**280,646**
Band D Tax	**£64.26**		**£65.52**	**£66.78**	**£68.04**	**£69.39**	**£70.74**
Year on Year Increase	**0.0%**		**2.0%**	**1.9%**	**1.9%**	**2.0%**	**1.9%**


How we are funded (£'000)
£1,957
£3,503
£7,945
£17,086
Business Rates
Non-ringfenced Government Grants
Council Tax
Other Income


Analysis of other income (£'000)
£145
£415
£836
£561
Capital Receipts > £10k
Control Room Recharge
Section 33 Grants
Other Income

The Budget Build-up: Capital Expenditure

The Prudential Code, introduced as part of the Local Government Act 2003, requires authorities to ensure capital expenditure is both prudent and affordable.

The Capital Budget for 2015/16 amounts to £3.889m and is summarised below:

Schemes	**£'000**
Vehicles including Fire Appliances	1,741
Property Schemes	1,540
Operational Equipment	258
IT and Communications	350
Total Expenditure	**3,889**

A schedule setting out the medium term capital programme for 2015/16 to 2018/19 is shown on the next page.

The Capital Programme has been prepared after considering the Authority's Asset Management Plan.

The revenue budget accounts for the financing costs of the schemes in 2015/16 and future years.

A summary of how the Capital Programme will be financed is shown below:

	£'000
Capital Receipts	145
Revenue Contribution	1,402
Capital Grants	2,342
Total Financing	**3,889**

DRAFT SUMMARY MEDIUM TERM CAPITAL PROGRAMME 2015/16 TO 2018/19

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
CAPITAL EXPENDITURE (details – Appendix 3)				
Vehicle Replacement Programme	1,741	1,858	1,617	1,178
Equipment	258	200	341	254
Property Maintenance & Land	1,540	940	1,290	1,075
IT & Communications	350	350	350	350
TOTAL EXPENDITURE	**3,889**	**3,348**	**3,598**	**2,857**
FINANCED BY:				
Capital Receipts	145	418	331	208
Revenue Contribution to Capital Outlay (RCCO)	1,402	1,676	1,589	1,075
Transfer from Reserves	1,407	319	743	821
Capital Grants	935	935	935	753
TOTAL RESOURCES	**3,889**	**3,348**	**3,598**	**2,857**

Treasury Management Strategy Statement

The Local Government Act 2003 (The Act), supporting regulations and CLG Guidance require the Authority to 'have regard to' the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Authority to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act). This sets out the Authority's policies for managing its investments and for giving priority to the security and liquidity of those investments.

CIPFAs Code of Practice on Treasury Management has been adopted by this Authority. This strategy statement has been prepared in accordance with the Code.

The Overview and Scrutiny Committee has responsibility to ensure the effective scrutiny of the Treasury Management Policy (TMP) and strategies and will be provided with update reports during the year. As a minimum a mid year report will be presented.

The Act therefore requires the Authority to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy; this sets out the Authority's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The suggested strategy for 2015/16 in respect of the following aspects of the treasury management function is based upon the Treasury Officers' views on interest rates, supplemented with leading market forecasts provided by the Authority's treasury advisor. The strategy covers:

- The current treasury position;
- Prospects for interest rates;
- Treasury limits in force which will limit the treasury risk and activities of the Authority including Prudential and Treasury Indicators;
- The borrowing strategy;
- The Minimum Revenue Provision;
- The investment strategy;
- The credit worthiness policy;
- Policy on the use of external service providers.

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Authority to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This therefore means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- increases in interest charges caused by increased borrowing to finance additional capital expenditure and
- any increases in running costs from new capital projects

are limited to a level which is affordable within the projected income of the Authority for the foreseeable future.

It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Authority to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. The Authorised Limit represents the legislative limit specified in the act.

The Authority must have regard to the Prudential Code when setting the Authorised Borrowing Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and in particular, that the impact upon its future Authority tax levels is ‘acceptable’.

Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion incorporate those planned to be financed by both external borrowing and other forms of liability, such as credit arrangements. The authorised limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

The following Prudential and Treasury Indicators are relevant for the purposes of setting an integrated treasury management strategy.

	2015/16 £m	**2016/17 £m**	**2017/18 £m**
Affordable Borrowing Limit			
Total Budget excl. capital	26.771	26.219	26.226
Total Budget incl. capital	28,534	28.201	28.115
Difference	1.763	1,982	1.894
Band D Impact	£6.63	£7.38	£6.95
Band D Authority Tax	£64.26	£65.52	£66.78
Band D Increase	£0.00	£1.26	£1.26

	2015/16 £m	**2016/17 £m**	**2017/18 £m**
Capital Financing Requirement	4.102	3.937	3.778
Operational Boundary	3.333	3.308	3.283
Authorised Limit	4.833	4.808	4.783
Upper limit for fixed rate interest exposure	100%	100%	100%
Upper limit for variable rate interest exposure	100%	100%	100%

	Upper Limit	**Lower Limit**
Maturity Structure of new Fixed Rate borrowing in 2015/16:		
Under 12 months	100%	0%
12 to 24 months	100%	0%
24 months to within 5 years	100%	0%
5 to 10 years	100%	0%
10 years and above	100%	0%

The Authority's current portfolio position at 31/12/14 comprised:

	Source	Principal £m	Rate
Fixed Rate Funding	PWLB	1.700	4.25%
Fixed Rate Funding	PWLB	1.500	4.55%
Finance Leases	Various	0.187	
Gross Debt		**3.387**	
Total Investments		13.370	
Net Investment		**9.983**	

The anticipated borrowing requirements of the Authority are detailed below:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
New Borrowing	0	0	0	0
Alternative Financing	0	0	0	0
Replacement Borrowing	0	0	0	0
Total	0	0	0	0

Prospects for Interest Rates

The Authority has appointed Sector Treasury Services, as treasury adviser to the Authority and part of their service is to assist the Authority to formulate a view on interest rates. The following gives the Sector central view.

Sector Bank Rate Forecasts for financial year ends (March)

- 2014/ 2015 0.50%
- 2015/ 2016 0.75%
- 2016/ 2017 1.25%
- 2017/ 2018 2.00%

In the longer term PWLB 50 year rates are expected to rise marginally from 4.4% to 4.7% by March 2015 before rising gently until it reaches 5.2% in March 2017. The 25 year rate is expected to rise from 4.4% to 4.6% by March 2015 and rise further reaching 5.1% by March 2017. The 5 year rates are expected to rise from 2.5% to 2.8% by March 2015 then to gradually rise to reach 3.4% by March 2017.

Expectations for the first change in Bank Rate in the UK are now dependant on how to forecast when unemployment is likely to fall to 7%. Financial markets have taken a very contrary view to the MPC and have aggressively raised short term interest rates and gilt yields due to their view that the strength of economic recovery is now so rapid that unemployment will fall much faster than the Bank of England forecasts. They therefore forecast the first increase in Bank Rate to be in quarter 2 of 2015.

There is much latitude to disagree with this view as the economic downturn since 2008 was remarkable for the way in which unemployment did not rise to anywhere near the extent likely, unlike in previous recessions. This meant that labour was retained, productivity fell and now, as the MPC expects, there is major potential for unemployment to fall only slowly as existing labour levels are worked more intensively and productivity rises back up again. The size of the workforce is also expected to increase relatively rapidly and there are many currently self employed or part time employed workers who are seeking full time employment.

Capita Asset Services take the view that the unemployment rate is not likely to come down as quickly as the financial markets are currently expecting and that the MPC view is more realistic. The prospects for any increase in Bank Rate before 2016 are therefore seen as being limited. However some forecasters are forecasting that even the Bank of England forecast is too optomistic and so do not expect the first increase in Bank Rate until spring 2017.

Borrowing Strategy

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high.

This Authority's total investments exceed gross debt with net investments of £9.983m. The general aim of this treasury management strategy is to reduce this total over the next three years in order to reduce the credit risk incurred by holding investments. Another factor which will be carefully considered is the difference between borrowing rates and investment rates to ensure the Authority obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.

Against this background and the risks within the economic forecast caution will be adopted with the 2015/16 treasury operations - the aim will be to minimize debt interest costs. The Treasurer, in conjunction with the Authorities treasury advisor, will continually monitor the interest rate market and adopt a pragmatic approach to changing circumstances.

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Authority can ensure the security of such funds. Borrowing in advance of need will only be undertaken where there is a clear business case for doing so for the current capital programme or to finance future debt maturities.

Investment Policy

The Authority will have regard to the DCLG's Guidance on Local Government Investments, ("The Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes, ("the CIPFA TM Code"). The Authority's investment priorities are:

- the security of capital;
- the liquidity of its investments.

The Authority will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Authority is low in order to give priority to security of its investments.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Authority will not engage in such activity.

Investment instruments used in the financial year will be selected in accordance with the Treasury Management Policy and advice from the Authority's treasury advisors. Counterparty limits will be as set through the Authority's Treasury Management Policy.

Creditworthiness Policy

This Authority uses the creditworthiness service provided by Sector Treasury Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- credit default swap (CDS) spreads, to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Authority to determine the duration for investments and are therefore referred to as durational bands. The Authority is satisfied that this service now gives a much improved level of security for its investments. It is also a service which the Authority would not be able to replicate using in house resources.

All credit ratings will be monitored regularly and always before an investment is made. The Authority is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of Credit Ratings the Authority will be advised of information in movements in CDS against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and information, information on government support for banks and the credit ratings of that government support.

The Authority will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings, (or equivalent from other agencies if Fitch does not provide).

Investments Strategy

Bank Rate has been unchanged at 0.50% since March 2009 and as stated above it is forecast to remain unchanged before starting to rise from Quarter 2 of 2016.

Owing to the low returns on investments reserves will be used to finance future capital expenditure, rather than taking out further loans, thereby securing future savings by reducing the requirement for debt financing.

At the end of the financial year, the Authority will report on its investment activity as part of its annual Treasury Report.

Treasury Management Consultants

The Authority uses Sector Treasury Services as its external treasury management advisers.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

Scheme of Delegation and Role of Section 151 Officer

This Authority delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Resources Committee. The execution and administration of treasury management decisions is delegated to it's Treasurer who will act in accordance with the organisation's policy statement and TMPs and if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

This organisation nominates the Resources Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Minimum Revenue Provision Policy Statement

The Authority is required to pay off an element of its accumulated capital spend each year through a revenue charge. This is called the minimum revenue provision.

The Authority implemented CLG's Minimum Revenue Provision, (MRP), guidance in 2008/09 and will assess its MRP for 2015/16 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

A substantial proportion of the MRP for 2015/16 relates to pre April 2008 debt liability that will continue to be charged at the rate of 4%, in accordance with option 2 of the guidance. Certain expenditure reflected within the debt liability at 31 March 2014 will under delegated powers be subject to MRP under option 3, which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Authority. However the Authority reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Authority are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

Chief Financial Officer's Statement

Statutory Declarations

Chief Financial Officer's Statement

Section 25 of the Local Government Act 2003 requires that an Authority's chief financial officer reports to the Authority when it is considering its budget and Authority tax. The report must deal with the robustness of the estimates and the adequacy of reserves allowed for in the budget proposals, so that Members will have authoritative advice available to them when they make their decisions.

Section 25 also requires members to have regard to the report in making their decisions.

Robustness of Estimates

The budget process has involved members, the Senior Management Team and all budget holders within the Service. The finance team has assisted all budget holders in a thorough scrutiny and challenge of the budget recommended to the Authority.

The Budget Book details and explains all Service pressures, as well as identifying areas for savings. These pressures and savings have been incorporated into the Medium Term Financial Plan.

In coming to a decision to include funding for unavoidable service pressures and savings in the budget, specific financial risks were identified. It is anticipated that these risks can be managed using contingencies and, if necessary, reserves. This is consistent with the Authority's Medium Term Financial Strategy.

The budget has been subject to extensive consultation. A press release was sent to all media outlets in Cambridgeshire. The news release was also published on the Authority's website with details of how comments on the budget proposals could be made.

In my view, the robustness of the estimates has been ensured by the budget setting process, which has enabled all practical steps to be taken to identify and make provision for the Fire Authority's commitments in 2015/16.

Adequacy of Reserves

CIPFA has published a Guidance Note on Local Authority Reserves and Balances; it is the responsibility of the Treasurer to advise the Authority concerning the level of reserves and the protocols for their establishment and use.

Reserves are required to provide the Authority with financial flexibility when dealing with unexpected circumstances. Specific reserves should also be set aside to provide for known or predicted liabilities.

The Authority maintains a General Reserve to cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. It acts as a contingency to be used in the event of unexpected emergencies or unforeseen spending.

At 31 March 2014, the Authority's usable General Reserve balance was £2,195k, representing 7.7% of net revenue budget. The General Reserve will be used in accordance with the Medium Term Financial Strategy.

The Authority also maintains four earmarked reserves to fund known or predicted liabilities. These reserves are the Pensions Reserve to offset the pressure of the ill health element of the Firefighter's Pension Scheme, a Property Development Reserve to finance the future capital programme relating to properties and avoid borrowing or poor return on investments, a Community Safety Reserve to allow for the continuation of the Home Smoke Alarm Initiative, and an On-call Operations Reserve to provide for any non-controllable changes in the year, relating to on-call operations.

The financial burden for financing ill health retirements remains with individual authorities under the new funding arrangements for the Firefighters' Pension Scheme. This reserve will be maintained at current levels, £824k, to ensure any financial threat associated with ill health retirements can be met. This reserve will be reviewed annually to ensure the level is appropriate.

The Property Development Reserve is currently £6,073k. The current rate of return on cash investments is poor and it would therefore be prudent to review property requirements. There are already plans in place to fund the approved capital programme in relation to property, from reserves. The cost of borrowing is greater than the return on cash investments, it is therefore more cost effective to use funds currently held.

A Community Safety Reserve of £200k will be managed as a fund on behalf of the Authority. Release of funds will be subject to a successful bidding process made by partner organisations. Any bid will have to meet success criteria that will be based around community risk reduction.

The On-call Reserve of £975k was created from the unused Management of Change Fund that was initially accumulated for the Service redesign programme. This will allow release of revenue but provides for any non-controllable changes in the year, relating to on-call operations, to be financed from this reserve.

The level of reserves is important, not only for the budget 2015/16 but also in formulating the Medium Term Financial Strategy.

In my view, if the Fire Authority accepts the proposed budget, then the level of reserves currently held will be adequate.

Proposed Recommendations

1. That approval is given to a Fire Authority budget requirement of £28,533,970

2. That approval is given to a recommended Fire Authority precept for Authority Tax from District Authorities and Peterborough City Authority of £17,086,210

3. That approval be given to an Authority Tax for each band of property, based on the number of band D equivalent properties notified to the Fire Authority by the District Authorities and Peterborough City Authority (265,892):

Band	Authority Tax	Band	Authority Tax
A	£42.84	E	£78.54
B	£49.98	F	£92.82
C	£57.12	G	£107.10
D	£64.26	H	£128.52

4. That approval is given to the Prudential and Treasury Indicators as set out on page 9.

5. That approval is given to the Treasury Management Strategy Statement on pages 8 to 13.

6. That approval is given to the Capital Programme detailed at page 6.

7. That approval is given to the MRP Policy Statement detailed at page 14.

DRAFT DETAILED MEDIUM TERM CAPITAL PROGRAMME 2015/16 TO 2018/19

	2015/16		2016/17		2017/18		2018/19	
	No.	**£'000**	**No.**	**£'000**	**No.**	**£'000**	**No.**	**£'000**
Vehicle Replacement Programme								
Water Tender	3	724	4	965	3	724	3	724
Service Vehicles (Cars)	11	274	30	689	20	424	16	365
Small/Derived Van	-	-	8	103	7	91	4	52
Medium Van's	2	32	1	16	4	63	2	32
Large Van	-	-	2	41	2	41	-	-
Personnel Carrier/MPV	-	-	2	39	2	39	-	-
Rescue Vehicle	3	706	-	-	-	-	-	-
Foam Water Carrier	-	-	-	-	1	235	-	-
Strebor - Strose T. M.	1	5	1	5	-	-	1	5
Total Vehicle Replacement Programme	**20**	**1,741**	**48**	**1,858**	**39**	**1,617**	**26**	**1,178**
Equipment								
Heavy Duty Combi's	10	150	7	105	16	240	11	165
Appliance Ladders	3	19	4	25	3	19	3	19
MARS units	-	-	-	-	-	-	-	-
Thermal Cameras	14	70	14	70	14	70	14	70
Workshop Ramp	-	-	-	-	1	12	-	-
Airbags	15	19	-	-	-	-	-	-
Total Equipment	**42**	**258**	**25**	**200**	**34**	**341**	**28**	**254**

DRAFT DETAILED MEDIUM TERM CAPITAL PROGRAMME 2015/16 TO 2018/19 (Cont.)

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Property Maintenance & Land				
Chatteris – Reroofing	-	-	30	-
Cottenham – Resurfacing	-	-	20	-
Dogsthorpe - Replacement Roofing	-	150	-	-
Dogsthorpe – Rewiring	-	160	-	-
Dogsthorpe – Resurfacing	-	-	20	-
Ely - Re-wire	-	-	30	-
Ely – Heating boiler Upgrade	10	-		-
Gamlingay - Roof Replacement	-	-	30	-
Gamlingay - Resurfacing	-	-	20	-
Hinchingbrooke Cottage - Replacement windows	-	-	-	95
Huntingdon – Training Centre Structural & Plant Works	-	-	-	400
Huntingdon – Reroofing (Station & Garages)	-	-	190	-
Kimbolton - Roof Replacement	-	-	30	-
Kimbolton – Resurfacing	-	-	20	-
Manea – Resurfacing	-	-	20	-
March – Resurfacing	-	-	20	-
Papworth Everard - Re-wire	-	-	25	-
Ramsey – Resurfacing	-	-	50	-
Sawston - Roof Replacement	-	-	30	-
Sawston - Resurfacing	-	-	20	-
Sawtry - Roof Replacement	-	-	30	-
Soham - Roof Replacement	-	-	30	-
Soham – Resurfacing	-	-	20	-
Stanground – Rewiring	-	-	35	-
St Ives – Resurfacing	-	-	20	-
St Neots - Replacement Training & Storage Facilities	-	130	-	-
St Neots – Resurfacing	-	-	20	-
St Neots - Roof Replacement	-	-	30	-
Sutton - Provision of training building	80	-		-
Sutton – Resurfacing	-	-	20	-
Whittlesey - Reroofing	-	-	30	-
Yaxley - Replacement Station	950	-	-	-
Various Boundary Wall & Fence Repairs		-	-	80
Contingency	500	500	500	500
Total Property Maintenance & Land	**1,540**	**940**	**1,290**	**1,075**

DRAFT DETAILED MEDIUM TERM CAPITAL PROGRAMME 2015/16 TO 2018/19 (Cont.)

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
IT & Communications				
Essential system enhancements	350	350	350	350
Total IT & Communications	**350**	**350**	**350**	**350**

2014/15 £'000		2015/16 £'000
	Expenditure	
15,842	Firefighters and Control Room Staff	15,432
5,457	Support Staff	5,591
407	Training	409
68	Other Staff Costs	69
21,774	**Total Employee Costs**	**21,501**
289	Repairs and Maintenance	288
270	Heating and Lighting	280
138	Cleaning Contract	139
529	Rents and Rates	536
1,226	**Total Premises Costs**	**1,243**
55	Office Equipment and Furniture and Fitting	55
628	IT Equipment (Non-capital)	631
403	Clothing and Uniform	400
797	Communications	807
406	Insurances	406
56	Subscriptions	55
33	Corporate Support	33
87	Community Safety	87
75	Fire Protection Expenses	75
109	Health and Safety	109
103	Members Fees	104
80	Fire Service College	80
66	Audit Fees	67
34	Legal Fees	34
248	Consultant Fees	249
45	Printing and Stationery	45

16	Postage	16
62	Travel and Subsistence	61
37	Advertising	37
107	Hydrants/BA Maintenance	108
425	Operational Equipment/Infrastructure	427
1,327	Authority Savings in Advance	710
103	Project Delivery Costs	103
322	Other Supplies and Services	630
5,624	**Total Supplies and Services Costs**	**5,329**
69	Car Allowances	64
328	Petrol, Oil and Tyres	325
123	Repair and Maintenance of Vehicles	125
520	**Total Transport Costs**	**514**
116	Cross Border Activity Charges	119
21	Service Level Agreements	22
137	**Total Agency Charges**	**141**
1,970	Capital Financing	1,763
1,970	**Total Capital Charges**	**1,763**
-277	Capital Receipts	-145
-852	Combined Control Room Recharge	-836
-366	Section 33 Grants	-561
-422	Other Income	-415
-1,917	**Total Income** (Appendix 5)	**-1,957**
29,334	**Net Revenue Expenditure**	**28,534**