CAMBRIDGESHIRE AND PETERBOROUGH FIRE AUTHORITY BUDGET BOOK 2013/14

CONTENTS

Budget Overview

Background

There has been significant changes to the funding formula for 2013/14 and beyond. The key changes that impact on Combined Fire and Rescue Services are:

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

<u>Localised Business Rates</u>

All single purpose fire and rescue authorities will be funded through a two percent share of each district or unitary council's business rates income, and topped up by central government.

<u>Council Tax Localisation</u>

For 2013/14, Government has changed the funding formula for Council Tax benefit. This change reduces the amount Central Government funds individual collection Authorities in respect of benefits given for Council Tax. Local collection Authorities have clear direction to protect certain groups who receive the benefit. This has left a significant challenge to bridge the remaining funding gap between Council Tax collection and the benefits allocated.

For 2013/14, the Government has now decided to maintain the Council Tax Benefit grant, albeit reduced by 10%. This reduction is to be funded by smaller changes to the benefit scheme i.e. removal of second home discounts.

<u>Council Tax Capping</u>

The Government have chosen to relax council tax capping rules for 2013/14. This relaxation only applies to those Authorities where their Council Tax is within the lower quartile for their type of Authority. If they meet this criteria then they may set a council tax above the 2%, so long as it is not more than a £5 increase in total for a Band D property.

What does it mean?

In summary the Authority will receive a total grant, including Council Tax Benefit grant, of £13,373k.

The Revenue Support Grant and Business Rate grant represents £11,739k of this total. This is a reduction of £1,288k over the grant received in 2012/13, equivalent to 10.2%.

The Council Tax benefit grant in £1,634k. At this stage it is not possible to predict whether this grant will be sufficient to cover the reduced taxbase and collection rates.

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

- A £4.95 increase in council tax for 2013/14, followed by 2% increases 2014/15 onwards;
- A pay award will be received in 2013/14 of 1%; and
- Non pay inflation will track government inflation projections, with the exception of Fuel. This has been reflected separately at 1.5%.

The indicative grant figure for 2014/15 is £12,549k. This is a further reduction of £824k or 6.16%. Appendix 1 sets out detailed medium term estimates for the next five financial years. These estimates include assumptions on the next Comprehensive Spending Review period starting April 2015.

The Budget Build-up: Revenue Expenditure

Inflation

The anticipated costs of inflation between 2012/13 and 2013/14 is £368k, an average of 1.2%.

Pay awards for employees is forecast at 1%

Employer's pension contributions have been increased from 22.3% to 24.3% for support and control room staff.

The overall level of inflation is in line with Government projections.

Summary of Revenue Expenditure

2012/13 Budget £000		2013/14 Budget £000
	Expenditure	
22,417	Employees	22,024
1,134	Premises	1,105
5,151	Supplies and Services	5,711
607	Transport	584
131	Agency Costs	125
2,042	Capital Financing	1,994
31,482	**Total Expenditure**	**31,543**
-1,672	**Income**	**-1,722**
29,810	**Net Expenditure**	**29,821**

Attached at Appendix 1 is a medium term revenue forecast detailing the anticipated budget requirements and the indicative Authority tax rates for 2013/14 to 2016/17.

Financing the Budget

	£'000	%
Adjusted Budget 2012/13	**29,810**	
Inflation	368	1.2
Spending Pressures	-133	-0.4
Efficiency Savings	-224	-0.8
Budget Requirement 2013/14		
Less:		
Formula Grant	-13,373	
Recommended Precept 2013/14	**16,448**	

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 2013/14 amounts to £3.763m, and is summarised below:

Schemes	**£'000**
Vehicles Including Fire Appliances	1,775
Property Schemes	1,475
Operational Equipment	108
IT and Communications	405
Total Expenditure	**3,763**

A schedule setting out the medium term capital programme for 2013/14 to 2016/17 is attached at Appendix 2.

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 2013/14 and future years.

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

	£'000
Capital Receipts	278
Revenue Contribution	1,529
Capital Grants	1,956
Total Financing	**3,763**

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 Local Government Act 2003 requires the Authority to have regard to the Prudential Code and 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; 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 2013/14 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, and
- 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.

	2013/14 £m	**2014/15 £m**	**2015/16 £m**
Affordable Borrowing Limit			
Total Budget excl. capital	27.827	27.716	27.208
Total Budget incl. capital	29.821	29.561	28.986
Difference	1.994	1.845	1.778
Band D Impact	£7.17	£6.66	£6.53
Band D Authority Tax	£64.26	£65.52	£66.84
Band D Authority Tax Increase	£4.95	£1.26	£1.32

	2013/14 £m	**2014/15 £m**	**2015/16 £m**
Capital Financing Requirement	3.938	3.711	3.527
Operational Boundary	3.448	3.313	3.238
Authorised Limit	4.948	4.813	4.738
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 2011/12:		
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 31/12/12 comprised:

	Source	Principal £m	Rate
Fixed Rate Funding	PWLB	1.700	4.25%
Fixed Rate Funding	PWLB	1.500	4.55%
Finance Leases	Various	0.441	
Gross Debt		**3.641**	
Total Investments		16.400	
Net Investment		**12.759**	

The anticipated borrowing requirements of the Authority are detailed below:

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £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)

- 2012/ 2013 0.50%
- 2013/ 2014 0.50%
- 2014/ 2015 0.75%
- 2015/ 2016 1.75%

In the longer term PWLB 50 year rates are expected to rise marginally from 3.9% to 4.1% by March 2014 before rising gently until it reaches 5.2% in March 2016. The 25 year rate is expected to rise from 3.7% to 3.9% by March 2014 and rise further reaching 5% by March 2016. The 5 year rates are expected to rise from 1.5% to 1.7% by March 2014 then to gradually rise to reach 2.9% by March 2016.

The economic recovery in the UK since 2008 has been the worst and slowest recovery in recent history, although the economy returned to positive growth in the third quarter of 2012. Growth prospects are weak and consumer spending, the usual driving force of recovery, is likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears.

The primary drivers of the UK economy are likely to remain external. 40% of UK exports go to the Euozone so the difficulties in this area are likely to continue to hinder UK growth. The US, the main world economy, faces similar debt problems to the UK, but urgently needs to resolve the fiscal cliff now that the the Presidential elections are out of the way. The resulting US fiscal tightening and continuing Eurozone problems will depress UK growth and is likely to see the UK deficit reduction plans slip.

This challenging and uncertain economic outlook has several key treasury mangement implications:

- The Eurozone sovereign debt difficulties provide a clear indication of high counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2013/14 and beyond;
- Borrowing interest rates continue to be attractive and may remain relatively low for some time. The timing of any borrowing will need to be monitored carefully;
- There will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns

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 £12.779m. 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 2013/14 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: -

(a) the security of capital, and

(b) 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 monthly. 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 Credit Default Swap 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.

Bank Rate is forecast to remain unchanged before starting to rise from Quarter 3 of 2013. Bank Rate forecasts for financial year ends (March) are as follows: -

- 2012/ 2013 0.50%
- 2013/ 2014 0.50%
- 2014/ 2015 0.75%
- 2015/ 2016 1.75%

There is downside risk to these forecasts if recovery from the recession proves to be weaker and slower than currently expected. However should the pace of growth pick up more sharply there could be an upside risk, particularly if Bank of England forecasts for 2 years ahead exceed its target.
The Authority will avoid locking into longer term deals while investment rates are down at historically low levels unless

attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within the risk parameters set by this Authority

For its cash flow generated balances, the Authority will seek to utilise its business reserve accounts and short-dated deposits, (over night to three months), in order to benefit from the compounding of interest.

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 Policy and Finance Committee and for the execution and administration of treasury management decisions 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 Scrutiny and Performance 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 2013/14 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 2013/14 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 31st March 2012 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 scrutinisation 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 2013/14.

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 31st March 2012, the Authority's usable general reserve balance was £2,114k, representing 7.1% of net revenue budget. The General Reserve will be used in accordance with the medium term financial strategy.

The Authority also maintains seven earmarked reserves to fund known or predicted liabilities. The main reserves are the Pensions Reserve to offset the pressure of the ill health element of the Firefighter's Pension Scheme, a Capital Reserve to help finance the future capital programme, a Community Safety Reserve to allow for the continuation of the Home Smoke Alarm Initiative, a Management of Change Fund to help mitigate the impact of the reductions in Government grant and an Innovations Fund to provide seeding to strategic and opportunistic projects that meet specific investment criteria. Two minor reserves, a Hydrants Reserve and a Developments Grant Interest Reserve, are also maintained.

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 Capital Grants Unapplied Reserve is currently £4,560k. Of this reserve, £1,800k relates specifically to the Combined Fire Control project and was allocated to the Authority by Central Government. Plans are in place to spend this money over the next 2 financial years. The remaining funds have been allocated to finance the proposed capital programme over the next 4 years.

The Capital Reserve is currently £827k, it is held to finance schemes that slip across financial years and to help finance future capital projects.

An Innovation Fund of £150k was set up in order to pump prime cash releasing and efficiency initiatives or to enable quantifiable improvements in quality and performance.

A Management of Change Fund of £975k was set up to mitigate the impact of the structural and other changes required by the reduction in central government funding.

Following the government decision to stop national funding of the successful Home Smoke Alarm Initiative a Community Safety Reserve of £200k was set up to allow it to continue locally.

The level of reserves is important, not only for the budget 2013/14 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 £29,821,210.

2. That approval is given to a recommended Fire Authority precept for Authority Tax from District Authorities and Peterborough City Authority of £16,448,210.

3. That approval be given to an Authority Tax for each band of property, based on the number band D equivalent properties notified to the Fire Authority by the District Authorities and Peterborough City Authority (255,963):

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 6.

5. That approval is given to the Treasury Management Strategy Statement on pages 5 to 11.

6. That approval is given to the capital programme detailed at page 4.

7. That approval is given to the MRP Policy Statement detailed at page 10.

Appendix 1

	Estimate 2013/14 £'000	Incr.%	Forecast 2014/15 £'000	Forecast 2015/16 £'000	Forecast 2016/17 £'000	Forecast 2017/18 £'000	Forecast 2018/19 £'000
Budget (previous year)	**29,810**		**29,821**	**29,561**	**28,986**	**28,824**	**28,420**
Wholetime Firefighters Pay	120						
Retained Firefighters Pay	27						
Fire Control Pay	35		22	23	23	23	
Local Government Employees Pay (LGEs)	70		66	67	69	70	
Insurance	6						
Other Price inflation	110						
Inflation	**368**	**1.2%**	**469**	**467**	**462**	**461**	**363**
LGE Staff	0						
Control Room Staff	40						
Firefighters	0		0				
Operational Activity	-111		0				
Capital Charges	-61		-79	-53	-56	0	
Other	-1		30	31	32	0	
Budget Variations	**-133**	**-0.4%**	**-49**	**-22**	**-24**	**0**	**0**
Service Pressures/Efficiency Savings							
Budget Holder Savings	-224	-0.8%	-680	-1,020	-600	-865	-750
Combined Control	0						
Service Pressures/Efficiency Savings	**-224**	**-0.8%**	**-680**	**-1,020**	**-600**	**-865**	**-750**
Budget Requirement	**29,821**	**0.0%**	**29,561**	**28,986**	**28,824**	**28,420**	**28,033**
Less:							
Government Grant	-13,373		-12,549	-11,390	-10,630	-9,871	-9,112
Fire Authority Precept	**16,448**		**17,012**	**17,596**	**18,194**	**18,549**	**18,921**
Tax Base	**255,963**		**259,648**	**263,272**	**266,888**	**266,888**	**266,888**
Band D Tax	**£64.26**		**£65.52**	**£66.84**	**£68.17**	**£69.50**	**£70.89**
Year on Year Increase	**8.3%**		**2.0%**	**2.0%**	**2.0%**	**2.0%**	**2.0%**

Appendix 2

DRAFT SUMMARY MEDIUM TERM CAPITAL PROGRAMME 2012/13 TO 2015/16

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
CAPITAL EXPENDITURE				
Vehicle Replacement Programme	1,775	1,406	1,188	1,582
Equipment	108	197	166	166
Property Maintenance & Land	1,475	905	1,380	842
IT & Communications	405	300	350	350
TOTAL EXPENDITURE	**3,763**	**2,808**	**3,084**	**2,940**
FINANCED BY:				
Capital Receipts	278	207	192	280
Revenue Contribution to Capital Outlay (RCCO)	1,529	1,457	1,443	1,530
Capital Grants	1,956	1,144	1,449	1,130
TOTAL RESOURCES	**3,763**	**2,808**	**3,084**	**2,940**

DRAFT DETAILED MEDIUM TERM CAPITAL PROGRAMME 2013/14 TO 2016/17

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Vehicle Replacement Programme				
Water Tender	853	640	640	640
Service Vehicles (Cars)	491	374	425	491
Small Vans	24	-	-	24
Derived Van	78	91	52	78
Medium Van's	63	0	47	63
Large Van	0	40	19	20
Personnel Carrier/MPV	39	39	-	39
Command Support Unit	222	-	-	-
Rescue Vehicle	-	222	-	222
Strebor - Strose T. M.	5	-	5	5
Total Vehicle Replacement Programme	1,775	1,406	1,188	1,582
Equipment				
Heavy Duty Combi's	15	120	120	120
Appliance Ladders	28	21	21	21
MARS units	-	31	-	-
Thermal Cameras	25	25	25	25
Hot Fire Containers	40	-	-	-
Total Equipment	**108**	**197**	**166**	**166**

DRAFT DETAILED MEDIUM TERM CAPITAL PROGRAMME 2013/14 TO 2016/17 (Cont.)

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Property Maintenance & Land				
Burwell - Replacement Premises	800			
Dogsthorpe - Replace Appliance Bay Doors	25			
Dogsthorpe - Replacement Roofing				32
Dogsthorpe - Replace Appliance Bay floor		40		
Dogsthorpe - Rebuild welfare facilities (1st Floor)	50			
Dogsthorpe - Upgrade electrical boards		50		
Ely - Re-wire				30
SHQ - Replacement windows & cladding				150
Houses - Replacement boilers - The Brow	30			
Houses - Replacement windows & doors		30		
Huntingdon - Replacement boilers		35		
March - Tower Improvements	20			
Papworth Everard - Re-wire				30
Ramsey - Resurfacing approach road				30
St Neots - Extention to bay	40			
St Neots - Tower replacement				70
St Neots - External Storage Replacement	10			
Sutton - Provision of training building			60	
Whittlesey - Resurfacing Yard		40		
Wisbech - Upgrade electrical boards		10		
Wisbech - Resurface approach road			20	
Yaxley - Replacement Station		200	800	
Enhancement/Contingency	500	500	500	500
Total Property Maintenance & Land	**1,475**	**905**	**1,380**	**842**

DRAFT DETAILED MEDIUM TERM CAPITAL PROGRAMME 2013/14 TO 2016/17 (Cont.)

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
IT & Communications				
Retained Alerters	25	-	-	-
Server Refresh	300	-	-	-
Fireground Radios	80	-	-	-
Essential system enhancements	-	300	300	300
Replacement MDT’s	-	-	50	50
Total IT & Communications	**405**	**300**	**350**	**350**

2012/13 £'000		2013/14 £'000
	Expenditure	
16,717	Firefighters and Control Room Staff	16,614
5,225	Support Staff	4,964
391	Training	387
83	Other Staff Costs	60
22,416	**Total Employee Costs**	**22,025**
277	Repairs and Maintenance	274
321	Heating and Lighting	222
109	Cleaning Contract	134
427	Rents and Rates	475
1,134	**Total Premises Costs**	**1,105**
114	Office Equipment and Furniture and Fitting	113
508	IT Equipment	509
410	Clothing and Uniform	398
735	Communications	796
314	Insurances	399
51	Subscriptions	41
32	Corporate Support	32
178	Community Safety	179
59	Fire Protection Expenses	60
76	Health and Safety	73
84	Members Fees	84
120	Fire Service College	121
95	Audit Fees	95
34	Legal Fees	39
273	Consultant Fees	290
52	Printing and Stationery	42

16	Postage	16
53	Travel and Subsistence	55
36	Advertising	36
193	Hydrants/BA Maintenance	134
1,447	Operational Equipment/Infrastructure	1,945
104	Project Delivery Costs	104
167	Other Supplies and Services	149
5,151	**Total Supplies and Services Costs**	**5,710**
148	Car Allowances	145
336	Petrol, Oil and Tyres	322
123	Repair and Maintenance of Vehicles	117
607	**Total Transport Costs**	**584**
114	Section 2 and 12 Charges	104
17	Service Level Agreements	21
131	**Total Agency Charges**	**125**
2,042	Capital Financing	1,994
2,042	**Total Capital Charges**	**1,994**
-222	Capital Receipts	-278
-824	Combined Control Room Recharge	-880
-206	Seconded Officers	-175
-419	Other Income	-389
-1,671	**Total Income**	**-1,722**
29,810	**Net Revenue Expenditure**	**29,821**