

TYNE & WEAR FIRE AND RESCUE AUTHORITY

Item: 6

MEETING 20TH DECEMBER 2010

BUDGET PLANNING FRAMEWORK 2011/12 UPDATE

REPORT OF THE CHIEF FIRE OFFICER AND FINANCE OFFICER

1. INTRODUCTION

1.1 Reports on the budget position for 2011/12 and future years have been considered by the Fire Authority as follows:

- Authority Meeting 20th September 2010 - Budget Planning Framework 2011/12;
- Authority Meeting 22nd November 2010 – Medium Term Financial Strategy 2011/12 to 2014/15.

1.2 The reports indicated that a key element of understanding the resources position of the Authority for the Budget for 2011/12 and future years is the Revenue Support Grant Settlement, which was anticipated in early December.

2. REVENUE SUPPORT GRANT SETTLEMENT 2011/12

2.1 The report to the Authority's last meeting highlighted a number of issues in relation to formula grant including:

- the Spending Review 2010 (SR10) will see Fire and Rescue Authorities receiving 25% less formula grant funding over the SR period;
- the reduction in grant was announced to be 'back loaded' with the greatest reductions falling in 2013/2014 and 2014/2015;
- in addition to the 25% reduction in formula grant there are a number of specific grants where future funding was uncertain.

2.2 The report noted that detailed provisional formula grant figures for 2011/2012 and indicative settlements for future years would not be made available until the Revenue Support Grant Settlement was announced in December.

2.3 An announcement was expected in the first week in December and the outcome of the announcement would be reported to the meeting of the Authority on 20th December 2010. Latest indications, however, are that the announcement has been delayed until Monday 13th December 2010.

2.4 The Chief Fire Officer has been invited to a Spending Review Briefing Session in London on Wednesday 15th December when it is anticipated that additional information will be shared by Bob Neill, the Minister for the Fire and Rescue Service.

2.5 An update will be given to the Authority meeting on 20th December to provide Members with information arising from the Revenue Support Grant Settlement

and the Minister's Briefing Session.

3. RECOMMENDATIONS

- 3.1 Members are recommended to note the report and receive either a verbal or written update report at the meeting on 20th December 2010.