

Efficiency Plan Funding and Budget Assumptions 2016/17 - 2019/20

ANNEX D

(i) for guidance and definitions please see guidance tab.

Tyne and Wear Fire and Rescue Authority

	2015-16	2016-17	2017-18	2018-19	2019-20
(i) Funding Assumptions	£000's	£000's	£000's	£000's	£000's
Settlement Funding Assessment					
Baseline Funding - Business Rates / Top Up	14,109	14,227	14,506	14,935	15,412
RSG	14,945	13,180	10,898	9,620	8,796
Settlement Funding Assessment Total	29,054	27,407	25,404	24,555	24,208
Adjustment for Local Business Rate share (NNDR1) to DCLG Figure	95	122	-197	-282	-380
Business Rates Collection Fund Deficit	-83	-277	0	0	0
Estimated Total Business Rates, RSG and Top Up Grant (SFA)	29,066	27,252	25,207	24,273	23,828
Council Tax Forecast					
Band D Council Tax (£)	74.62	76.11	77.62	79.16	80.74
Actual / Assumed Council Tax base	271,577	275,392	278,146	280,927	283,736
Yearly Council Tax Precept Income (£000's)	20,265	20,960	21,591	22,239	22,908
Collection Fund (council tax only) (£000's)	141	241	0	0	0
Estimated Total Council Tax Income	20,406	21,201	21,591	22,239	22,908
Council Tax Band D Precept Increase (%)	1.99	1.99	1.99	1.99	1.99
Growth in Council Tax Base Yield to Previous Year (%)	1.69	1.40	1.00	1.00	1.00
TOTAL Business Rate, RSG, Top Up Grant and Council Tax Income	49,472	48,453	46,798	46,512	46,736
(ii) Budget Assumptions	2015-16	2016-17	2017-18	2018-19	2019-20
Employee Cost Pressures (£'000)					
Pay Awards	269	411	382	374	378
Pension contributions (LGPS Triennial Revaluation 2016)	0	0	155	0	0
National Insurance contracted out changes	0	690	0	0	0
Injury pensions	287	-100	25	36	0
Ill health pensions	0	0	68	69	0
Firefighter turnover	0	0	463	463	463
Additional bank holiday	82	-82	123	0	0
National Living Wage impact	0	0	116	122	129
Pension discount rate change (fire fighters scheme)	0	0	0	0	482
Total Employee Costs	638	919	1332	1064	1452
Cost Pressures (£'000)					
Rates and utilities	37	86	32	50	56
Insurances	29	9	0	0	0
ICT Microsoft Licence	0	0	100	0	0
Mobilising project	0	0	0	65	0
Development costs	-55	0	0	0	0
Inflation	38	0	0	0	0
Reduction in income	54	0	0	0	0
Strategic contingencies	51	0	0	550	550
Reduction in contribution from reserve	1025	0	0	0	0
Delegated budgets	0	38	0	0	0
Augmentation of pensions	0	13	14	14	14
Subscriptions	0	3	0	0	0
Princes Trust income reduction	0	86	0	0	0
Phoenix Programme income reduction	0	28	0	0	0
Special Services income reduction	0	8	0	0	0
Apprenticeship levy	0	0	129	0	0
Ambulance Rental	0	3	0	0	0
Interbrigade Transfers	0	628	0	0	0
Total Non Pay Bill Costs	1179	902	275	679	620
Revenue Expenditure Funded from Capital Receipts	0	0	0	0	0
INCOME					
Section 31 Grants					
SFA Adjustment Grant	-206	-207	-212	-218	-225
Business Rates Smaller businesses Reductions Re-imbursement	-128	-171	0	0	0
New Dimensions	-893	-893	-893	-893	-893
Firelink	-167	-173	-176	-180	-184
New Threats	-20	0	0	0	0
Other Service Income					
Discretionary Fees and Charges	-825	-836	-800	-800	-800
Secondments	-525	-168	-170	-170	-170
Interest	-154	-225	-200	-150	-100
Customer and client receipts	-191	-115	-115	-115	-115
Other	-99	-65	-60	-55	-50
Total Income	-3208	-2853	-2626	-2581	-2537
Net Budget Requirement (includes budgetv assumptions / cost pressures and income)	53,675	51,249	50,516	49,086	50,066
Financial Challenge Before Efficiencies	3,870	2,796	3,718	2,574	3,330

(iii) Efficiency Savings Assumptions (£'000)		2015-16	2016-17	2017-18	2018-19	2019-20
Leasing Charges		-52	-5	-116	-4	0
Debt Charges		-46	0	0	0	0
Service Level Agreement fee reductions		-25	-50	0	0	0
Firefighter turnover		-1327	0	0	0	0
Ill health pensions		-132	-1	0	0	0
Base Budget reviews		-507	0	-650	0	0
Pension contributions reductions under the revised scheme		-16	-277	0	0	0
Strategic contingency review and reductions		0	-527	-628	0	0
Removal of Data & Information role		0	-48	0	0	0
Audit fee reduction		0	-10	0	0	0
Co location income		0	-230	0	0	0
PFI contract price reduction		0	-26	0	0	0
Firefighter turnover		0	-149	0	0	0
Diversionary Activities Funding		-35	0	35	0	0
Catering Review		-463	-1	0	0	0
Cleaning Review		-46	15	0	0	0
Control and command in-house model		-70	-212	0	0	0
Revised Response Model Review		-1151	-986	-683	0	-1389
Charitable Trading Company Donations		0	0	0	-516	-100
Management and Organisational Review		0	0	-1125	-565	0
Total Efficiency and IRMP savings		-3,870	-2,507	-3,167	-1,085	-1,489
Forecast Net Position (surplus / deficit) after efficiency savings in year gap		0	289	262	938	352
Cumulative Budget gap if not addressed		0	289	551	1,489	1,841

(iv) Capital		2015-16	2016-17	2017-18	2018-19	2019-20
Estimated Capital Expenditure (£'000)						
Capital Expenditure		5738	3300	5848	3476	*TBC
Capital Expenditure Financing						
Capital Receipts Unapplied Reserve		0	282	3004	0	0
Use of other Reserves		1797	288	2844	3476	*TBC
Government grants & other contributions		3744	2658	0	0	0
Direct Revenue Contributions		197	72	0	0	0
Unsupported / Prudential Borrowing		0	0	0	0	*TBC
(v) Estimated Financial Reserves Levels (£'000)		2015-16	2016-17	2017-18	2018-19	2019-20
General Fund Balance		3,943	3,943	3,943	3,943	3,943
Expected Use of Earmarked Reserves in year		2806	908	3807	4791	508
Earmarked Reserves at 31st March		25,586	24,678	20,871	16,080	15,572

* Please note that the Capital programme for 2019/20 has not yet been developed but any costs will have to be funded from reserves or new borrowing. which has not been included in the above plan.