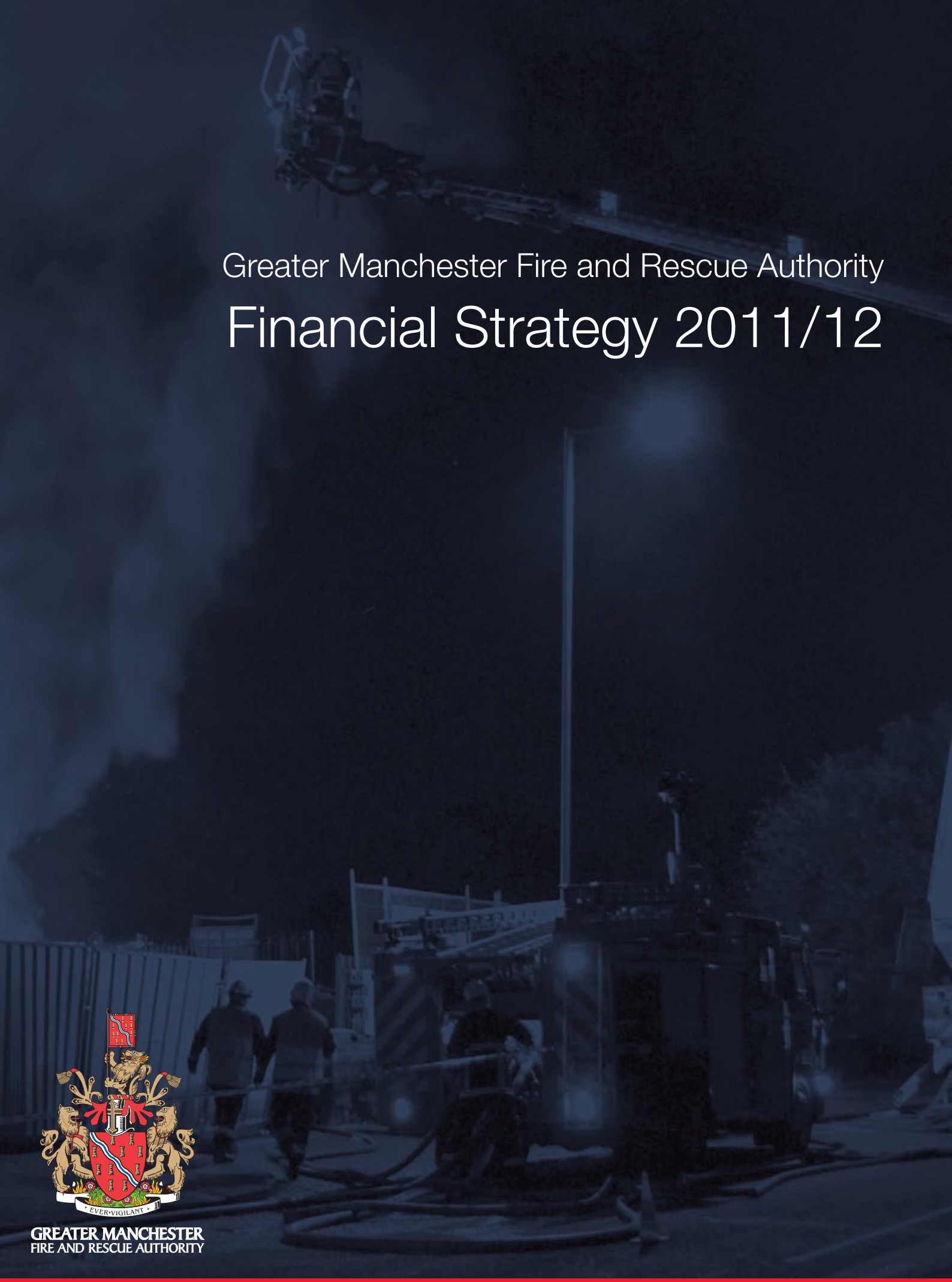
Greater Manchester Fire and Rescue Authority

Financial Strategy 2011/12



GREATER MANCHESTER
FIRE AND RESCUE AUTHORITY

PREVENTING PROTECTING RESPONDING

www.manchesterfire.gov.uk

Contents

Section One

Executive Summary

Introduction

The recent announcements following the Comprehensive Spending Review have issued a two year Revenue Support Grant settlement for the Authority, and not the longer term figures which had previously been signalled. This confirms the baseline for setting the budget for the years 1 and 2 but there still remains major uncertainty for years 3 and 4. Capital grant funding has been announced for financial year 2011/12 only to date.

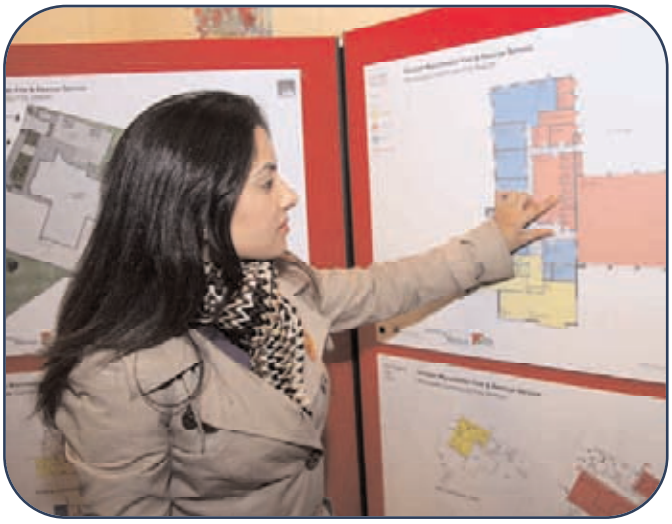
The effect on Greater Manchester Fire and Rescue Authority over the next 2 financial years is a reduction in revenue grant of 9.5% for 2011/12 and further 3.15% for 2012/13. This totals a grant reduction over the 2 years of £9.3m which is an overall change of 12.35% from the base in 2010/11.

It is important to note that the settlement was worse than anticipated, and there is a key risk for the settlement for years 3 and 4 being even worse, due to the 'back-loading' approach taken by the Government to achieve their target for the savings.

The national fire grant reduction is 6.49% over the first two years of the settlement but has a significant differential and detrimental impact on the metropolitan fire and rescue authorities. Arising from this, there is the potential that the total savings from the grant reductions could equate to 30% or above, thus being significantly higher than the 25% originally anticipated from the Spending Review. The Government has yet to announce firm figures for 2013/14 and 2014/15. It is hoped however, that these figures represent the worst case scenario.

Key Points relating to the Medium Term Financial Strategy Model

- Precept Freeze 2011/12
- No pay award inflation 2011/12 and 2012/13
- 1% pay award inflation 2013/14 and 2014/15
- 1% price inflation for the majority of non-pay expenditure
- Removal of temporary base budget resources agreed in previous years of £1.009m
- Potential New Risks to be self-financing or using existing funding routes
- Additional Budgets
  - £0.1m for Royal Wedding Bank Holiday
  - £0.27m National Insurance Increase
  - £0.44m Pension Admin System
- Efficiency saving Items £4.655m consisting of
  - £0.5m full year effect of Borough Review
  - £4.155m Star Chamber exercise (further details in following table)



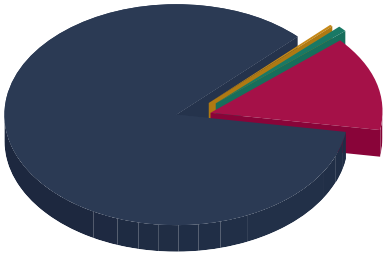
Star Chamber Revenue Saving Summary						
Department		**2011/12 £'000**	**2012/13 £'000**	**2013/14 £'000**	**2014/15 £'000**	**Total £'000**
Corporate Planning	Staffing	1,087	0	0	0	1,087
	Other	49	0	0	0	49
		1,136	0	0	0	1,136
Emergency Response	Staffing	126	30	0	0	156
	Other	250	0	0	0	250
		376	30	0	0	406
Prevention and Protection	Staffing	0	0	0	0	0
	Other	45	0	0	0	45
		45	0	0	0	45
Finance and Technical Services	Staffing	286	138	33	25	482
	Other	336	247	55	44	682
		622	385	88	69	1,164
ICT	Staffing	0	0	0	0	0
	Other	286	19	0	0	305
		286	19	0	0	305
Democratic Services	Staffing	0	0	0	0	0
	Other	10	0	0	0	10
		10	0	0	0	10
HR/OD	Staffing	380	0	0	0	380
	Other	192	0	0	0	192
		572	0	0	0	572
Reviews						
Control		208	292	0	0	500
Catering		525	175	0	0	700
Admin Review		375	375	0	0	750
		1,108	842	0	0	1,950
Total Programme		**4,155**	**1,276**	**88**	**69**	**5,588**

* NB in addition to the £476k already in the Budget Strategy for Organisational Development

Revenue Budget Summary 2011/12

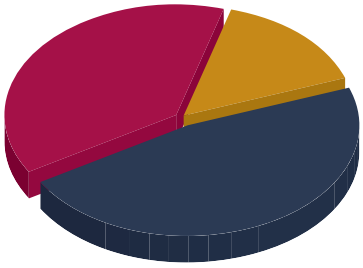
		Original Estimate 2010/11 £'000	Original Estimate 2011/12 £'000
Fire Service Budget		117,604	113,215
Capital Financing Charges		4,077	4,109
Reversal of Asset Charges		-3,431	-4,021
Interest on Revenue Balances		-30	-30
Transfer to Capital Fund		2,500	1,000
Council Tax Freeze Grant		0	-1,058
Contribution from Revenue Balances		-3,175	-2,482
Net Expenditure		**117,545**	**110,733**
Funded by:-	Revenue Support Grant	9,552	16,098
	National Non Domestic Rates	65,783	52,080
	Collection Fund Surplus	174	240
	Precept Income	42,036	42,315
Total		**117,545**	**110,733**

Expenditure by Service Area Revenue Budget 2011/12



- 0% Fire Emergency Planning and Civil Defence £0.4m
- 1% Effective Governance (Corporate and Democratic Core) £0.9m
- 14% Community Safety £15.8m
- 85% Firefighting and Rescue Operations £96.1m

Funding 2011/12



- 15% Revenue Support Grant
- 47% National Non Domestic Rates
- 38% Precept Income

Key Financial Risks

- Precept workings based on 4% increase for 2012/13 to 2014/15
- Settlement back loading into 2013/14 and 2014/15 and unknown level of cuts for these years
- Fundamental Review of Local Government Finance
- Slippage, phasing and delivery of change for the efficiency savings identified
- Cancellation of the National Project for Regional Control
- Low inflation budgets to cash limit expenditure
- Investment for potential new duty systems
- Any agreements above pay freezes for next 2 years
- Potential fall out of Partnership income
- Unknown Capital Funding Allocation Years 2-4

Budget and Funding Resources over the next four years

	2011/12 £M	2012/13 £M	2013/14 £M	2014/15 £M
Original Budget	**117.604**	**113.215**	**112.244**	**112.857**
Pay and Price Inflation	0.271	0.250	0.950	1.650
Investment Decisions	-1.009	-0.045	-0.049	0.000
Efficiency Savings	-0.500	0.000	0.000	0.000
Other Variations	0.414	0.100	-0.200	0.100
Depreciation	0.590			
Star Chamber Efficiency Items	-4.155	-1.276	-0.088	-0.069
Service Budget	**113.215**	**112.244**	**112.857**	**114.538**
Interest on Balances	-0.030	-0.030	-0.030	-0.030
Capital Financing Charges	4.109	4.109	4.109	4.109
Reversal of Asset Charges	-4.021	-4.021	-4.021	-4.021
Transfer to Capital Fund	1.000			
Net Budget Requirement	**114.273**	**112.302**	**112.915**	**114.596**
Transfer from Balances (Year 1) Budget Gap (Years 2 and 3)	-2.482	-1.213	-8.915	-17.620
Government Grant and NNDR	68.178	66.024	57.175	48.320
Council Tax Freeze Grant	1.058	1.058	1.058	1.058
Precept Requirement	42.555	44.007	45.767	47.598
Indicative Precept increase	0.0%	4.0%	4.0%	4.0%

Conclusion

The Authority is faced with a significant reduction in its grant funding in the next financial year and over the medium term, and with a high proportion of costs relating to staff. The opportunities to save money to correspond to the required levels of savings, inevitably mean there is a significant impact on staff, particularly those staff groups affected by the reviews. In preparation for the settlement, we have carried out a line by line budget review which identified £6m in savings from departmental budgets. The plans from the reviews also propose changes to the way we deliver services and to the structure of our teams. It is expected implementation will result in redundancies, although we are currently in talks with staff and trade union representatives as to exactly how the savings are realised.

Section Two

Introduction and Context

Introduction

The Financial Strategy is produced for the general public, Greater Manchester Fire and Rescue Authority staff, local businesses and locally elected Fire Authority members. The Financial Strategy contains the Medium Term Financial Plan for 2011/12 to 2014/15, the budget for 2011/12 and provides a framework for the Authority's revenue and capital spending for the year ahead.

Section One is a highlighted overall summary, section two sets out details of the budget process and context. Section three shows the medium term financial strategy covering the forthcoming three financial years. This section also includes details of the risks and uncertainties, and reference to the operational and statutory context around which the budget has been framed.

Sections four and five include the revenue budget, the capital programme and prudential framework for 2011/12. An overall summary of the budget is provided along with the precept calculations. Section six gives an update on the Authority's sustainability policy and strategy.

Section seven is the Value for Money Strategy for the Authority.

Section four contains more details of the operational budgets for 2011/12. There is also a glossary and a questionnaire for readers to complete and return to give feedback on the Financial Strategy. Graphs have also been added to better illustrate the budget net expenditure by service, the precept costs per council tax band and how the budget was financed.

The revenue budget for the Authority follows the CIPFA Service Reporting Code of Practice (SERCOP). This Code defines the best practice and legislative framework for consistent financial reporting in local authority services.

The role of local authority budgets in corporate governance, financial planning and performance measurement has been considerably strengthened by legislation.

The Fire and Rescue Authority has produced a four year planning timeframe for both capital and revenue budgets linked to the period of the Comprehensive Spending Review, and links this with its service planning as expressed in its combined Fire and Rescue Authority Annual Corporate Plan.

The use of Best Value Performance Indicators and Benchmarking of unit costs with other Fire and Rescue Authorities promotes continuous improvement and best practice in operational terms.

The integrated strategic risk-based planning process ensures resources are directed to key priority areas, mitigating organisational risks.

This Financial Strategy and the Corporate Plan are available on the Authority's Intranet and web site at - www.manchesterfire.gov.uk.

My thanks go to staff who have worked hard to produce the 2011/12 budget.

Paul McKevitt

Treasurer to the Authority

Profile & Vision

Greater Manchester Fire and Rescue Authority - Profile

County Fire Officer and Chief Executive:
Steve McGuirk

Chairman:
Councillor David Acton

Vice-Chairman:
Councillor Henry Cooper

Authority Profile

Greater Manchester Fire Authority was established by the Local Government Act 1985 and took over statutory responsibility for the fire service in Greater Manchester from the 1st April 1986 when the former Greater Manchester County Council was abolished. The Authority consists of 30 members, all of whom are councillors appointed by the 10 District Councils in Greater Manchester. It is responsible for agreeing strategic policies and priorities, and overseeing and monitoring the Fire and Rescue Service's operations, performance and finances.

Meetings of the Authority and its committees are held at Fire Service Headquarters, Swinton, and are open to the press and public; although they can be excluded if confidential information is likely to be discussed.

Under the terms of a Service Level Agreement between the Authority and Wigan Council, Joyce Redfearn, Chief Executive of Wigan, is the Clerk to the Authority, and Paul McKevitt, Wigan's Service Director for Corporate Services is the Authority's Treasurer. These officers are responsible for the provision of legal/democratic and financial services, which were provided by the County Council prior to its abolition in 1986.

Authority Purpose and Aims

Following the consultation on the draft plan, we have also finalised six key aims which support the achievement of our core purpose. We are committed to achieving these aims and a range of development activities and measures are contained within our Corporate Plan.

Our Purpose

Our purpose is to protect and improve the quality of life of the people in Greater Manchester.

Prevention

We aim to: Engage with Greater Manchester's communities to inform and educate people in how to reduce the risk of fires and other emergencies and do all we can to prevent crime and disorder.

Protection

We aim to: Influence and regulate the built environment to protect people, property and the environment from harm.

Response

We aim to: Plan and prepare for emergencies that may happen and make a high quality, effective and resilient response to them.

People

We aim to: Work with people with the right skills and attitude to deliver high quality, value for money services in a positive environment for everyone.

Public Value

We aim to: Manage risk through using resources flexibly, efficiently and effectively, continuously improving our use of public money in ways the public value.

Principles

We aim to: Operate in accordance with the law and our values, and ensure that safety, sustainability, partnership and inclusivity run through all we do.

Our Values and Behaviours

Greater Manchester Fire and Rescue Service's own workforce has developed the values and behaviours to underpin how the vision and objectives of the service are delivered.

They also support the Government's Fire and Rescue Service core values contained within the National Framework.

Respect

Supporting, involving and listening to others, showing dignity, consideration and empathy.

Excellence

Striving to develop, to ensure our contributions make our Fire and Rescue service the best it can be.

Honesty

Committed to creating and maintaining an open and truthful environment that is fair and consistent.

Inclusive

Removing barriers to participation to promote a truly representative service and using diversity to benefit all.

Professionalism in Our Role

Demonstrating a positive attitude and commitment to deliver a high quality service and taking pride in our role.

The Budget Process 2011/12

The production of the annual budget expresses, in financial terms, the priorities determined by the Members of the Authority. It sets out the plans for service provision in the coming year. Whilst the most visible outcome of the budget process in 2011/12 is the declaration of the precept, the budget has greater significance and meaning for the Authority.

This is because each year the Authority reconsiders its objectives, re-assess its priorities and re-examines the way in which service delivery is currently achieved. The budget process is always challenging in balancing the needs of the Fire and Rescue Service against the cost to local taxpayers, whilst operating within Government guidelines.

To meet legislation requirements, and to recognise the increased certainty of Government funding levels, the Authority has developed a rigorous four year financial planning framework.

The grant figures reflect the confirmed settlement position for 2011/12 and 2012/13. For 2013/14 & 2014/15, a further 'worse case' scenario position has been projected, as described in the Executive Summary at the start of this document.

Funding the Capital Programme is an important part of the Revenue Budget Strategy. The Authority's commitment to invest in vehicles, equipment and a programme of station replacements and upgrades requires resources in excess of supported borrowing approvals from Government.

The revenue budget and 4 year revenue forecast take account of the revenue impact of the capital expenditure programme for 2011/12. In effect, it is not possible to consider the Revenue Budget and Capital Expenditure Programme separately from each other and the Authority continues to prioritise between capital investment and current services in order to achieve a balanced budget plan.

The uncertainty on future capital funding is a risk to the Authority's Capital Programme with only announcements on Capital Grant funding for 2011/12 being available.

The Authority is required to make a formal calculation of its borrowing requirements, set ceilings on its external debt and set out its Treasury Management Policies in compliance with a prudential borrowing regime under the Local Government Act 2002.

At this stage there is no planned use of prudential borrowing for strategic capital investment that would effectively need to be self-financing. However, dependant on the future of the Capital Programme as mentioned in the previous paragraph this may be required in the foreseeable future.

Under the Local Government Act 2003 of the S151 Officer, which for this Authority is the Treasurer, to report to the Authority that the budget is realistic, takes into account and deals appropriately with known financial risks, and is supported by a minimum prudent level of balances.

This has been completed and, in his opinion the Authority's budget estimates for 2011/12 are robust and take into account all the risks facing the Authority insofar as these can reasonably be identified.

The adequacy of the level of balances and reserves for 2011/12 and the next three years have been fully considered alongside the risks they face with the Government funding reductions due.

Formula Grant

Government funding is distributed via a process known as Formula Grant Distribution that sets out the mechanism, methodology and basis for sharing the resources which the Government has made available for local government spending between the various tiers and types of Authorities.

The Government has announced the Formula Grant Settlement for 2011/12 and 2012/13 following the review alongside the Spending Review that has taken place. This is the start of the four year settlement period for the Comprehensive Spending Review. Updates to the grant calculation for Fire and Rescue Services include the updating of the regression expenditure base, an updated fire risk index and a separately positively weighted population density indicator.

As a reminder, Formula Grant consists of four main blocks:

- **Relative Needs Amount** – for each service block a calculation is made of the Authority's needs relative to the national total. This is summed across all service blocks and then used to determine our share of the national grant total.
- **Relative Resource Amount** - this is a measure of what can be raised locally towards the cost of services from council tax and is therefore a negative amount for all Authorities.
- **Central Allocation** – a per capita amount of central government support.
- **Floor Damping** – an adjustment to limit the year-on-year grant changes by class of authority.

The key features of the settlement are as follows:

For 2011/12, the total Government grant to local authorities nationally is £72.7bn, giving a 4.6% decrease in cash terms; Formula Grant has a decrease of 9.9%.

Greater Manchester Fire and Rescue Authority's decrease for 2011/12 is £7.157m (9.5%).

The table below looks at the headline allocations for Greater Manchester Fire and Rescue plus breakdown of the formula grant:

	2011/12 £m
Greater Manchester Fire and Rescue Headline Allocations	
Revenue Support Grant	16.098
Redistributed Business Rates	52.080
Formula Grant	**68.178**
Formula Grant Breakdown	
Relative Needs Amount	26.434
Relative Resource Amount	-1.291
Central Allocation	41.754
Floor Damping	1.281
Formula Grant	**68.178**

The spending review has confirmed the plans for a council tax freeze for 2011/12. In the written statement from the Secretary of State on 21st October 2010 it was stated that "the government expects all local, fire and police authorities to sign up for the freeze and cannot see a reason why they may choose to do otherwise". Capping powers will be used where necessary if authorities set excessive council tax increases.

Authorities received a letter in October 2010 with details of how the scheme will work. Authorities that freeze or reduce Band D council tax will be eligible to receive an additional grant equivalent to a 2.5% increase from their 2010/11 council tax level.

This grant will also be matched exactly in each subsequent year of the Spending Review to compensate for the income foregone. Also, the freeze will not have to be continued from 2012/13 in order to continue to receive the grant, which will be a Section 31 grant. Greater Manchester Fire and Rescue Authority have agreed this council tax freeze and have therefore budgeted for a grant of £1.058m for 2011/12.

Whilst Ministers have signalled they will use capping powers and urged all Authorities to agree with the freeze or reduction, there are again no preset capping criteria for individual authorities with the exception of Greater Manchester and Nottingham Police Authorities who will be capped in 2011/12. However, these Authorities are still able to take part in the above scheme. Capping is usually based on a combination of a budget increase and a council tax increase figure.

The Government has announced in the Localism Bill, which was published on 13th December 2010, the provision to abolish council tax capping and instead give the public the power to approve or veto excessive council tax rises. If an Authority wishes to increase council tax beyond a threshold determined by the Secretary of State and approved by the House of Commons, it will be required to hold a referendum to seek the approval of the electorate. These provisions are expected to come into effect from 2012/13 onwards and will apply to all local, police and fire Authorities.

The Budget Strategy And Process

The Authority's budget strategy is built upon the Integrated Risk Management Plan (IRMP) process with resources determined by Government priorities, as expressed through the Comprehensive Spending Review and RSG Settlement. The strategy also takes into account feedback from any consultation exercises.

The Authority has an established three-year budget planning cycle so that the consequences of budget decisions taken in 2010/11 can be rolled forward and forecasts made of the likely effect upon available resources in future years. A four year medium term financial strategy was produced this time to match the period of the Comprehensive Spending Review.

The budget strategy has been developed by a working group of senior politicians representing all political parties, in consultation with the wider membership where necessary, and with operational and financial advice from the County Fire Officer, Chief Executive and the Treasurer as appropriate.

The Budget Process:

August 2010 First budget forecast for 2011/12 – 2014/15 considered by the Authority.

September onwards Detailed budget preparation proceeded in accordance with budget principles approved in September. Consultation with Association of Greater Manchester Authorities (AGMA) Leaders and Treasurers.

26th November AGMA Executive Consultation with other AGMA district Treasurers and Leaders about proposed precept increases.

9th December Consultation on the Revenue Support Grant Settlement for 2011/12 issued. Reported to the Authority with an updated assessment of budget strategy, highlighting risks and uncertainties.

22nd December Scrutiny role undertaken on behalf of AGMA by Oldham and Salford Council Leaders and Treasurers.

January 2010 Working Group met to consider budget strategy in light of consultation and operational issues emerging from the IRMP*.

27th January A meeting of the Authority considered the detailed budget reports, where it was agreed that the indicative spending plans and efficiency savings be affirmed and the precept be frozen.

10th February The Authority meeting approved the expenditure budgets and precept freeze.

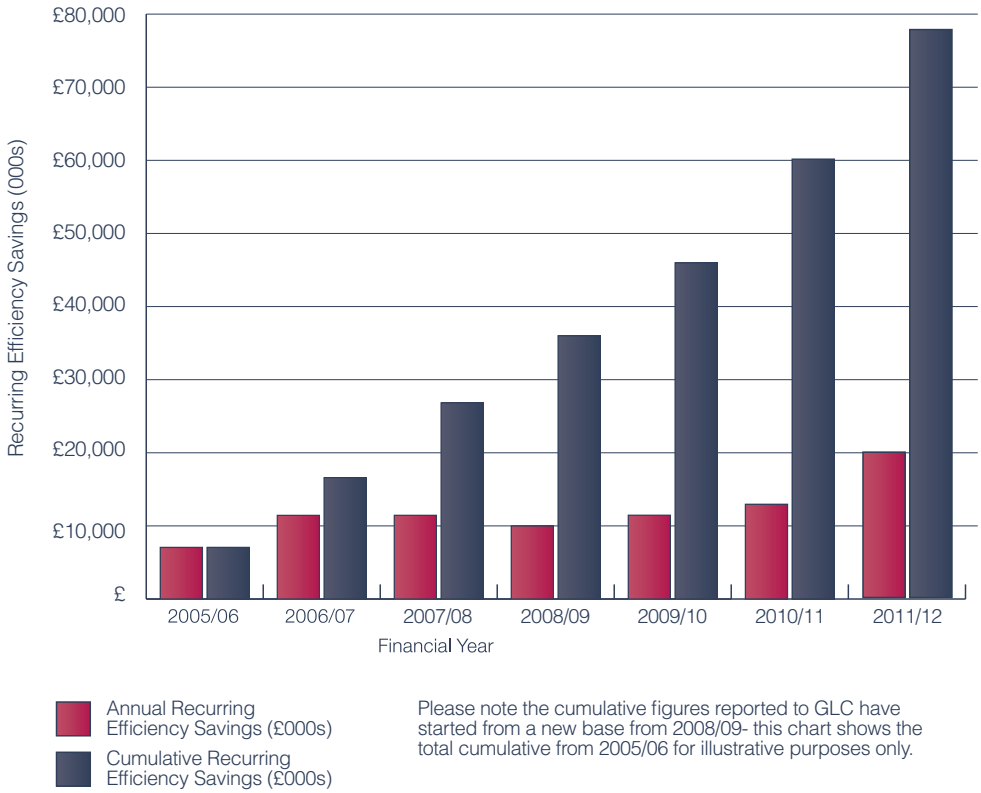
IRMP*: Integrated Risk Management Plan

Efficiencies

Greater Manchester Fire & Rescue Service has been recognised as being one of the pioneering services of good practice in realising efficiencies whilst improving performance and this is underpinned by our continual delivery of cashable efficiency savings. In 2009/10, the Authority identified £3.2m cashable efficiencies; achieved a further £5.6m during 2010/11 and forward looking to 2011/12 of £10.3m. This will result in the cumulative efficiencies achieved for the four years from 2008/09 of £20.6m. The Authority continues to collate this information despite the removal of the requirement to report this to CLG, and has devised an efficiency tracking log for 2011/12 to ensure it is continually monitoring the achievement of planned savings.

It is clear that the budget has a strategic role in the financial management of the Authority and the assessment of performance by external bodies such as the Audit Commission, and value for money assessments.

GMFRS Recurring Cashable Efficiency Savings 2005/06 to Expected 2011/12



Please note the cumulative figures reported to GLC have started from a new base from 2008/09- this chart shows the total cumulative from 2005/06 for illustrative purposes only.

IRMP*: Integrated Risk Management Plan

National and Regional Context

National & Regional Context For Fire And Rescue Services

The Fire and Rescue Service Act 2004 sets out the roles and responsibilities of the modern Fire and Rescue Service (FRS). The National Framework for the Fire and Rescue Service sets out what the Government expects from each FRS and what support the Government will provide.

The Fire and Rescue Service Act 2004 fundamentally changed the service delivery arrangements of the service and included the move to a statutory duty to provide community fire safety and a shift to flexible standards of operational cover determined locally consistent with the risks being faced. The Authority's Integrated Risk Management Plan sets out how it will satisfy these statutory requirements.

The National Framework outlines the Government's vision for the modernised FRS. The National Framework 2008-11 sets out the Government's expectations for the service and what is required to meet those expectations. This framework remains in force however, in July 2010 the Minister announced that he would no longer expect to enforce some aspects of this.

The key priorities of the National Framework are:

- Delivery of an enhanced resilience capability;
- That in a tighter fiscal climate, Fire and Rescue Authorities meet public expectations of a modern, efficient and effective public service. (CLG Fire and Rescue Service National Framework 2008-11);

The parts of this National Framework that are no longer enforced are:

- Regional Management Boards - individual authorities will have the freedom to work collaboratively in the best way that works in local areas;
- Equality and Diversity – monitoring of compliance and enforcement of recruitment, retention and progression targets will not be enforced;
- Workforce Development – the Minister will not be instructing Services how to recruit or develop their staff;
- Asset Management – Services will be trusted to manage their own asset bases (CLG Press Notice 28 July 2010);

Total Place is a new initiative, which has been initially piloted in 13 areas across England, including Greater Manchester Authorities. This was led by the Leadership Centre for Local Government and looks at a whole area approach to public services. These pilots demonstrated that new ways of working can create service improvements, savings and better use of public money.

The knowledge built from the Total Place pilots has been utilised in looking at community budgets of which the first phase was announced in the Spending Review 2010. The expectations of this is for local areas to look at the needs of their people and assist in designing service delivery for this. This project will be looking at pooling funds to assist areas in tackling families with multiple problems.

On the 20th December 2010, the Government announced in Fire and Rescue Service Immediate Red Bulletin 2 the decision to close down the Fire Control project. Two significant delays had already been announced to the delivery of this project and serious concerns had been expressed by the Secretary of State over progress on the project.

Extensive discussions have taken place between CLG and Cassidian (the contractor for the project) and a joint decision has been made that the requirements of the project cannot be delivered to an acceptable timeframe and the Fire Control project will be closed down.

The future now will be based on principles of localism and no solution will be imposed on individual Fire and Rescue Authorities. There are ongoing discussions regarding the North-West region and whether a regional solution or individual solutions will be continued. The outcome of this will be known during 2011/12.

The Authority has been an active member of the North-West Regional Management Board with the Director of Finance and Technical Services acting as Treasurer. During 2010/11 it was decided to recommend to constituent authorities a move towards a more informal structure. The Board has been disbanded as a body in its own right, the accounts will now be consolidated within Greater Manchester Fire and Rescue Authority's Financial Statements and will no longer be audited as a separate body. This has been confirmed by the Audit Commission. A new Joint Committee called the North West Partnership Board has now been considered and ratified by the Authority with arrangements in place.

Fire Futures

The Fire Futures review was launched in July 2010. Fire partners were invited by the Minister to take the lead in generating wide-ranging options for the future of fire and rescue service provision in England.

This has been a review to determine where and how changes might be made to meet current and future challenges. Four workstreams were taken forward which are summarised in the following paragraphs. CLG issued reports covering each of these topics on 20th December 2010.

- **Role of the FRS (Delivery Models)** – this workstream investigated barriers to delivery, governance models and alternative service combinations. The report covers short and long- term options conferring additional powers and responsibilities for the FRS to tackle the barriers faced by the sector and improve delivery. For the longer term, a new Community Protection Authority governance model is identified and options for closer working with some aspects of emergency medical response.
- **Efficiency, Effectiveness and Productivity (EEP)** – this workstream examined resource balance and deployment to look at options to improve cost efficiency and the potential for alternative or additional areas for income generation. This was a short-term focus in light of the recent Spending Review.
- **Localism and Accountability** – consideration was given in this workstream for mechanisms for embedding these concepts in fire provision. Options are given to drive these agendas forward, an assurance model and proposals to extend localism, transparency and accountability by offering communities a greater role in determining and monitoring local services.
- **National Interests** – this was established to consider the role of the FRS within the national context and respective roles of FRS and Government in national resilience. It suggests empowering citizens through better information and a decentralisation approach whilst assuring national response arrangements and a defined assurance mechanism.

These reports are just the beginning of a process to determine the future direction of fire and rescue provision and next steps are to begin when the Minister receives and considers them. Greater Manchester Fire and Rescue Authority has included its own responses regarding this review to the Minister and reported observations and contributions to the future of the Service.

The availability of government grants and other external funding sources are kept under constant review. The medium term financial strategy recognises the need for us to use our revenue budget to invest in areas previously funded directly via government grants.

The service budget is under-pinned by the development of the Corporate Plan. The draft plan was published in October 2010 and involved an extensive public consultation process. This includes proposals in addressing challenges faced by the service due to the period of uncertainty and significant financial challenge it is facing.

The Corporate Plan 2011- 2014 can be found on the website (www.manchesterfire.gov.uk) and sets out the key aims of the service, prioritising resources, the new approach to managing risk and the service development goals set out for this period.

Section Three

Medium Term Financial Strategy

Medium Term Financial Strategy 2011-2015

Each year Greater Manchester Fire and Rescue Authority reviews its medium term financial strategy covering four financial years this time. This involves the identification and assessment of key issues and risks that need to be addressed, and agreeing the process for determining the detailed process for the year ahead.

The medium term financial strategy underpins the Authority's corporate objectives and development and delivery goals as set out in the Corporate Plan. Please note the references throughout this document to DV*1 items which are the Development Goals which are set in the Corporate Plan and further details can be found there. Please refer to appendix 1 which lists the headings and further narrative on these.

This forecast sets out the overall shape of the Authority's budget by establishing how available resources should be allocated to meet corporate objectives, provides the framework for the preparation of annual budgets, and is developed to meet the corporate priorities of the Authority and to mitigate corporate risks identified in the Risk Register.

The forecast below demonstrates the likely scale of the budget and funding resources, and the impact upon precept requirements for the next four years. This includes the use of balances to achieve the precept freeze in year one and the potential budget gap in future years.

This will be revisited in the light of future budget strategies and changes in the economic and political climate.

The inflation assumptions are based on pay awards at 0% for 2011/12 and 2012/13, 1% for 2013/14 and 2% in 2014/15. Price inflation has been assumed at 1% for the majority of non-pay expenditure. This is less than general inflation as budgets will be almost cash limited.

	2011/12 £'m	2012/13 £'m	2013/14 £'m	2014/15 £'m
Original Budget 2010/11	**117.604**	**113.215**	**112.244**	**112.857**
Add:-				
Pay & Price Inflation	0.271	0.250	0.950	1.650
Investment Decisions	-1.009	-0.045	-0.049	0.000
Other Variations	1.004	0.100	-0.200	0.100
Efficiency Items	-4.655	-1.276	-0.088	-0.069
Service Budget	**113.215**	**112.244**	**112.857**	**114.538**
Interest on Balances	-0.030	-0.030	-0.030	-0.030
Capital Financing	4.109	4.109	4.109	4.109
Reversal Asset Charges	-4.021	-4.021	-4.021	-4.021
Transfer from Revenue Balances	-2.482	0.000	0.000	0.000
Transfer to Capital Fund	1.000	0.000	0.000	0.000
Net Budget Requirement	**111.791**	**112.302**	**112.915**	**114.596**
Budget Gap	**0.000**	**-1.213**	**-8.915**	**-17.620**
Government Grant & NNDR*2	68.178	66.024	57.175	48.320
Council Tax Freeze Grant	1.058	1.058	1.058	1.058
Precept Requirement	**42.555**	**44.007**	**45.767**	**47.598**
Indicative Precept Increase	**0.00%**	**4.00%**	**4.00%**	**4.00%**

DV*1: Development Goals
NNDR*2: National Non Domestic Rates

The above forecasts have been drawn up at a macro level and do not constitute detailed budgets. These are drawn up on an annual basis. Please refer to sections four and five detailing the 2011/12 detailed budgets.

For the purposes of this forecast a 4% precept increase has been exemplified for the 2012-2015 financial years.

Efficiency Savings Identified

The efficiency savings identified in the above strategy are shown in the below table.

	2011/12 £'m	2012/13 £'m
Full Year Effect Borough Review	-0.500	
Star Chamber	-2.522	-0.434
Catering Review (DV16)	-0.525	-0.175
Control Review	-0.208	-0.292
Administration Review (DV16)	-0.375	-0.375
Organisational Development Review (In addition to the removal of £0.476m Temporary Growth) (DV16)	-0.525	
Total	**-4.655**	**-1.276**

The Service Wide Implementation Group changes were implemented during 2010/11 and the Borough review was fully in place with effect from 1st October 2010. The saving in the budget for 2011/12 is the remainder of the proportion of the total efficiency identified in January 2010.

In 2010/11 reviews (DV16) have taken place in the following areas:

- Catering
- Control
- Administration
- Organisational Development
- Corporate Support and Communications

There is a risk to the Authority of the timing, delivery and completion of implementation of the above reviews which also have redundancy and redeployment impacts. There is a slow down of uniform leavers and the move from grey to green book posts in the Fire Safety structure will also have an impact on the implementation. The figures used in the budget model are therefore best estimates for the delivery of the proposed savings over the next two years, with any timing issues being managed through the use of balances.

A Star Chamber exercise was completed in October 2010 for officers to identify areas where they can achieve budget savings over the period of the Spending Review and identify 10-30% options for savings of the budgets they control and influence. The decisions as outcomes from this are summarised along with totals from the reviews in the executive summary at the start of this document.

Removal of Temporary Budgets

The removal of the extra resources which were agreed as part of last year's budget strategy are set out below. Potential New Risks have been identified as part of our risk management strategy and these will be self-financing or using existing funding routes in the revenue budget due to the pressure on finances.

	2011/12 £'m
Human Resources and Organisational Development	-0.550
HR/Payroll Project	-0.405
Miscellaneous	-0.054
Total	**-1.009**

Under Human Resources, the temporary budget for Equality and Diversity Officers has been reduced earlier than originally anticipated with the reduction of £0.075m released from April 2011 and the remainder currently planned to end in November 2012.

Other Variations in Service Budgets

	2011/12 £'m
Additional Bank Holiday - Royal Wedding	0.100
National Insurance Contribution Increase	0.270
Pension Administration System	0.044
Total	**0.414**

The actuarial review of the local government pension scheme is currently being finalised. Greater Manchester Pension Fund remains one of the best funded LGPS funds and whilst contribution rates are generally increasing, they will remain at the lower end of the range for employers participating. The indicated contribution rates to be applied for the budget are 19.5% from 2011/12 to 2013/14. This removes the previous noted risk in the Budget Strategy to increase employers pension contributions by 1% per annum.

The additional bank holiday announced for 29th April 2011 for the Royal Wedding is expected to cost an additional £0.1m to the Authority in additional employee payments. There are also additional Bank Holidays in 2012/13 and 2013/14 relating to the Queen's Jubilee and Good Friday falling in March respectively which have been accounted for in the financial strategy.

National Insurance rates have been confirmed in the Emergency Budget 2010 to increase by 1% by April 2011 for both employees and employers and the Budget Strategy reflects this increased requirement.

Risks And Uncertainties Influencing The Medium Term Financial Strategy

The following is a list of known items which may impact upon the medium term financial strategy but which cannot be quantified with any precision at the present.

- **Precepts** -the level of precept increase working assumptions in the Medium Term Financial Strategy has been set at 4% based on the Office of Budget Responsibility council tax assumptions for the years 2012/13 to 2014/15 which has been shared with AGMA. This holds a significant risk against balances if this level of increase is not accepted/ achieved in future years. Any downward variation would cause an effect on the Medium Term Financial Strategy.

- **Comprehensive Spending Review** - impact of the recession and the Comprehensive Spending Review – The pressures on public spending represent the most significant risk to the Authority. CLG have indicated that they will be back-loaded to the final years of the four year period and no announcement has been received for years three and four of the settlement period with unknown levels of cuts known at this stage which could exceed the 25% average across the sector.

- **Capital Resources**- unknown at the time of preparing this Strategy and the Authority may need to find alternative funding routes such as prudential borrowing. There also remains an uncertainty over capital receipts.

- **Fundamental Review Of Local Government Finance** - to be completed by June 2011 may impact on the Medium Term Financial Strategy.

- **Delivery Of Change** - slippage, phasing and delivery of change in the implementation of the proposed efficiency savings identified in reviews in the budget for 2011/12 and transitional costs - some aspects of the reviews may require negotiation and therefore current implementation plans are best estimates. The Strategic Career Management Group is overseeing any establishment related issues arising from all views to ensure a balanced approach between recruitment into the organisation and any exit related issues arising from reviews.

- **Pensions** - there is a potential increase in scheme costs following an actuarial review of the two Fire Fighter pension schemes in 2011. The Chancellor's Pre-Budget Report signalled forecast savings of £1bn from capping employers' liability and sharing the cost of public sector pension schemes. The Hutton review of pensions interim report suggests employees should make higher contributions, pensions should not be based on final salary schemes and the increase of the retirement age. This has been accepted as part of the Comprehensive Spending Review. However, it has now become apparent that there may be a potential increase in the percentage paid as employer's contributions and definitive clarification is being actively sought from CLG, as any increase will have an impact on the Medium Term Financial Strategy.

- **Regional Control** - in light of the cancellation of the National project for Regional Control, the future is uncertain and the financial implications are unclear at the time of drafting this Strategy but will be kept under constant review.

- **Inflation** - the budget has been prepared with an overall average 1% inflation rate – this will cash limit budgets and make financial accountability and spending decisions key in ensuring future budget management. This will be extremely challenging and is a recognised risk against balances (for example price increases on key utilities or fuel, which may prove difficult to contain within cash limits).

- **New Duty Systems** - are being considered and may require significant capital investment such as day crewing plus facilities to enable the transition to new crewing arrangements.

- **Pay Freezes** - have been anticipated in the budgets for the next two financial years so any agreement above this is a risk to balances.

- **Resilience And Business Continuity** - remains a key priority with new requirements emerging on a regular basis.

- **Firebuy And National Functions** - the Government have announced that Firebuy is to close following the review of Arms Length Bodies across Government. This is a decision which reflects the coalition agreement to make substantial reforms to our public bodies; increasing accountability and reducing their number and cost. The Government consider the sort of functions Firebuy currently carries out should be devolved

away from central Government. It is envisaged that Firebuy will cease operations by Spring 2011. The final impact of the future arrangements for a range of national functions on the Authority remains unclear.

- **Hse Inspection** - demands on FRS following fire-fighter fatalities/HSE inspection. A number of inquests remain outstanding and the implications for GMFRS are yet unknown as to issues that may be identified.
- **Income** - potential fall-out of external and partnership income following local spending decisions made from the results of the Comprehensive Spending Review. There will be significant financial pressure on resources for partners that have invested in community safety activities.
- **Carbon Reduction Commitment** - a full carbon emission disclosure has been made to the Environment Agency and there should be no funding requirements until 2013 unless legislation changes.
- **Pension Fund** - Long term actuarial strain on the pension fund as the staff composition changes.
- **Business Continuity** - Potential additional costs risks associated with implementing large scale Business Continuity Management arrangements.
- **Corporate Risk Register** - The risks highlighted here.

The Authority has traditionally operated at or about 5% of net budget requirement for many years and this has proved to be appropriate in the light of many challenges the Authority has faced. The budget strategy will be reviewed as part of the ongoing financial management arrangements of the Authority at least annually.

The budget strategy considered by the Authority Committee meeting on 27th January 2011, sought to minimise risk and maintain sufficient contingency based on judgements of how things may turn out, as well as being mindful of the impact of budget decisions upon the precept payers.

The Authority's strategy remains to deliver affordable precept rises whilst seeking to deliver the changes contained within the IRMP for the benefit of the residents of Greater Manchester. The Authority faces a financial challenge which is more challenging due to the economic downturn and major reduction in public spending. This places an even greater emphasis on delivering the efficiencies set out in this Strategy and continuing to secure organisational efficiencies inherent in the Integrated Risk Management approach and through our Value For Money strategy.

The Budget For 2011/12 And The Medium Term

The table below is a summary of the major changes to the 2010/11 base budget. The base budget has been uplifted for inflation and other known changes to arrive at the 2011/12 budget. (The increase is analysed below). A greater level of detail is to be found in section four.

	£'m
Net Budget Requirement 2010/11	**117.604**
Pay & Price Inflation	0.271
Investment Decisions	-1.009
Other Variations	1.062
Efficiency Items	-4.655
Transfer from Revenue Balances	-2.482
Transfer to Capital Fund	1.000
Council Tax Freeze Grant	-1.058
Net Budget Requirement 2011/12	**110.773**

The budget requirement will be funded as follows:

	£'m
Revenue Support Grant	16.098
National Non-Domestic Rates	52.080
Formula Grant	68.178
Precept levied on the Greater Manchester Councils £52.65 at Band 'D'	42.315
Share of Councils' Collection Fund surpluses as of March 2011	0.240
Total funding from Government and Precept payers	**110.773**

Taxbase for Greater Manchester expressed as number of 'D' band properties

District	Council Tax Base
Bolton	83.300
Bury	59.913
Manchester	123.970
Oldham	63.006
Rochdale	61.360
Salford	70.065
Stockport	99.640
Tameside	66.195
Trafford	79.646
Wigan	96.608
Total funding from Government and Precept payers	**803.703**

Precepts

2011/12 Precept Expressed As A Charge For Each Council Tax Property Band

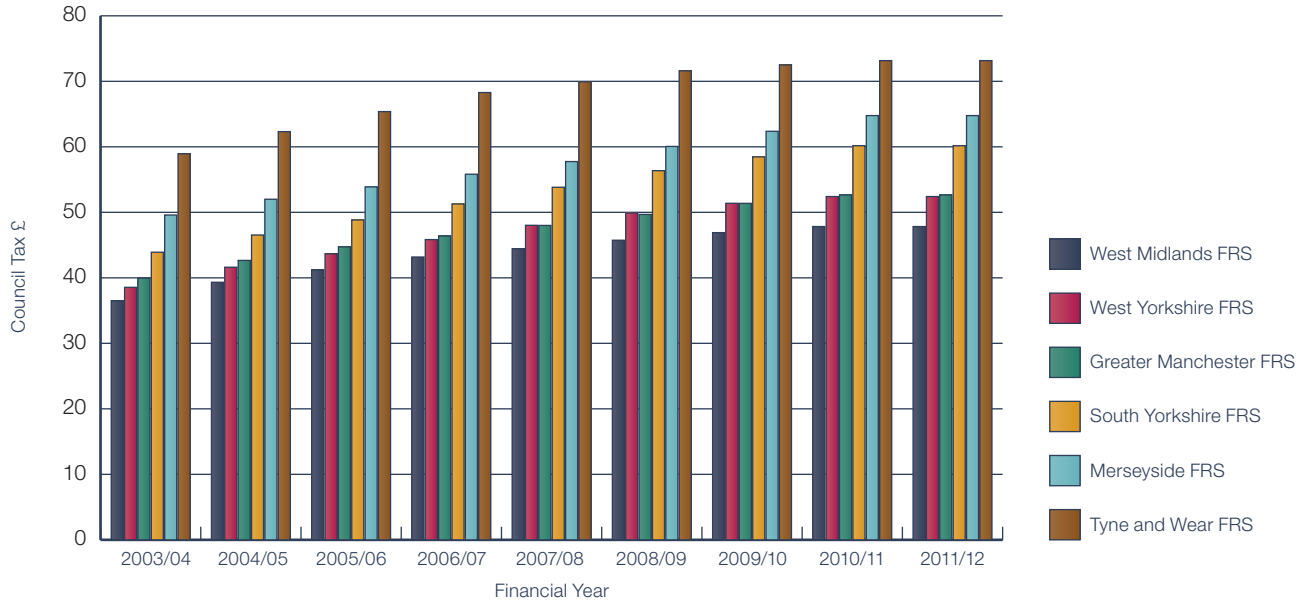
The precept for 2011/12 expressed as a charge for each of the eight Council Tax property bands is shown below. The charge for each band applies throughout Greater Manchester for each eligible property within that band. Discounts apply where the property is occupied by a single person.

This is frozen from 2010/11 as reported earlier.

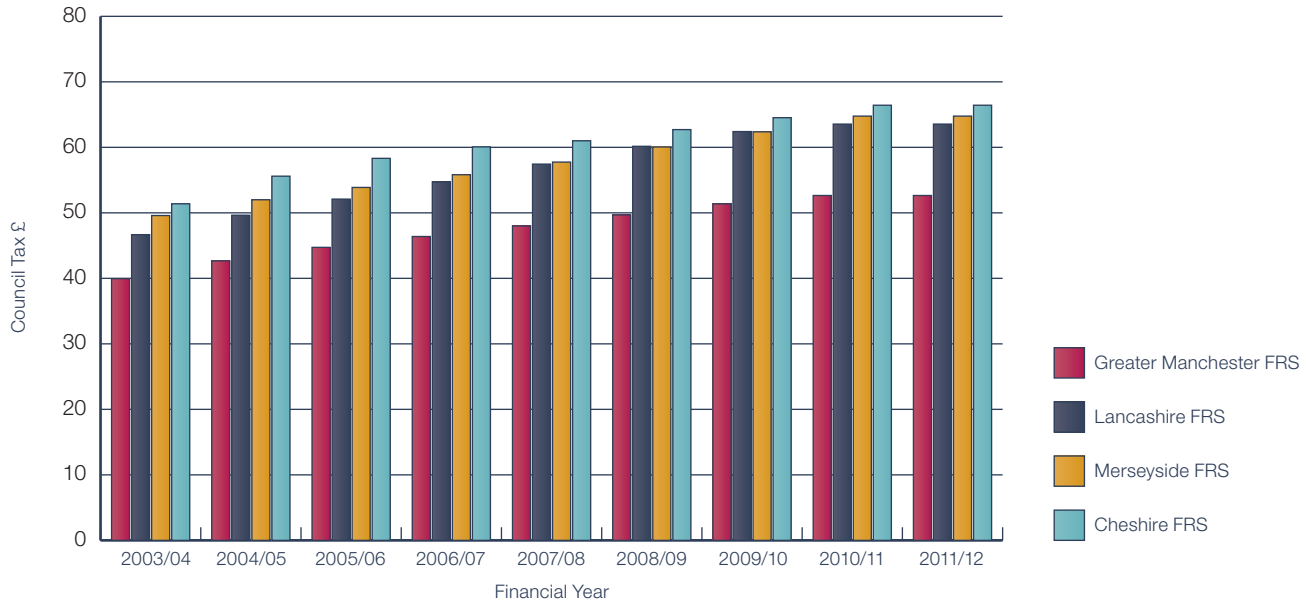
Council Tax Band	A	B	C	D
Precept	£35.10	£40.95	£46.80	£52.65

Council Tax Band	E	F	G	H
Precept	£64.35	£76.05	£87.75	£105.30

Metropolitan Fire Authorities Band D Council Tax:



North West Fire Authorities Band D Council Tax



Earmarked Reserves

The Authority holds reserves that have been built up during the previous and current financial periods. These are earmarked reserves to fund future projects/initiatives and to assist the organisation through the period of change it is entering into.

The balance of the partnerships, innovation and CYP* reserve is £1.243m by 31st March 2011.

A projects reserve has been set up with a value of £0.623m. This will be specifically earmarked to support project work within the Authority for the future arrangements of delivering the Control Room function.

In-year savings have been identified in various budgets across the Authority during 2010/11 where expenditure savings have been achieved against the budget, or have been deferred until the new financial year. These funds have been transferred into an earmarked reserve to ensure that projects can be continued in the future without any risks of impacting upon the achievement of a balanced budget in 2011/12. The total value of the earmarked funds reserve is £1.294m.

Part of this reserve will be used for the Authority's desire to trial a number of new ways to deal with small incidents. Given the sizeable contingency that was removed from uniformed pay budgets as part of the Star Chamber savings, this roll forward will help mitigate any potential in-year risks and enable a series of pilots to be undertaken which will form part of the future efficiency programme.

The other reserve that has been set-up is for unspent grants. £0.499m has been transferred into this reserve at year-end 2010/11. This is due to a change in accounting practice under International Accounting Standards.

CYP*: Children and Young People

Provision

A £1.5m restructuring fund was approved as part of the 2010/11 budget monitoring from the in-year underspend to fund a range of restructuring costs associated with delivering the efficiencies set out in this Financial Strategy. During the planning process for 2011/12, it has, £0.024 earmarked from this to fund an Employee Assistance Helpline (PNR ref BI016). It is recognised at times of significant change employees can experience increased levels of stress or anxiety which can result in absence from the workplace or impact on work performance, ultimately resulting in a financial cost to the organisation. This has been accounted for as a provision in the Statement of Accounts 2010/11.

Level Of Balances

Balances, as at the 31st March 2010, stood at £14.586m. The final outturn for 2010/11 reported an underspend of £5.664m. However, of this £1.5m has been earmarked and will be transferred to the restructuring reserve leaving £4.164m in support of balances. After the year-end final outturn, the balances at 31 March 2011 are £15.575m, which is an increase in the balances available of £0.989m, rather than the expected use of £3.175m in order to balance the budget for 2010/11. £2.482m is currently earmarked from this for the 2011/12 budget deficit.

The medium term forecast indicates that reasonable precept increases can only be achieved for the next two years with the support of general balances. However this forecast must be taken in the context of the risks outlined below. It remains an important element of the budget strategy that balances are deployed systematically and evenly over the medium term.

Capital Expenditure Programme And Financing

As part of the budget considerations, the Authority also approved a report on its three-year Capital Expenditure Programme and the associated funding strategy. This was reported to Members in an updated version in March 2011 when the Capital Grant allocation for the Authority had been advised.

As part of the Spending Review, the Government made the decision that no new supported borrowing (Supported Capital Expenditure resource -SCE(R)) allocations will be made in the Spending Review period. Government capital support will be given in the form of capital grant only, thus offering greater transparency, simplicity and targeted funding for capital purposes. The announcement covers the financial year 2011/12 only. Other options for capital funding of for the rest of the Spending Review period are to be considered and it is anticipated that Fire and Rescue Services will be consulted on the way forward in respect of capital funding.

The Capital Grant funding for the Fire and Rescue Service across England for 2011/12 is £70m. Distribution of this grant is based on a £0.5m baseline for each Authority with the remaining allocations based on 2009 population figures. The resulting allocation for Greater Manchester Fire and Rescue Service is £2.88m.

For expenditure in excess of this, the Authority must make available other resources. These consist of capital receipts (from sales of surplus assets), prudential borrowing (which is unsupported by future Formula Grant – see next paragraph) or revenue contributions which are currently held in a Capital Fund.

The Government permits Local Authorities to borrow based on a Prudential Code of Practice, which is basically about affordability since future debt charges will not be supported by Formula Grant and will effectively fall on local taxpayers. Each Authority is therefore required annually to set out its capital spending and resourcing assumptions for the next three years, indicating what prudential borrowing it might make and how this will affect its revenue budgets and taxpayers.

The Authority's Prudential Borrowing details are included later in this document – please refer to section five.

Scenario And Sensitivity Analysis

The financial modelling for the four year strategy includes various assumptions and it is important to note the potential impact of any different outcomes that may occur.

The following table outlines, in a scenario analysis, what a change in the Government settlement would mean in reduction of funding available for the final two years of the review period, and, in a sensitivity analysis, the values that represent a percentage change in assumptions.

Scenario Analysis 2013-15	2013/14 £'m	2014/15 £'m
Reduced Revenue Support Grant & National Non Domestic Rates (% on previous year)		
-10%	-6.6	-5.9
-15%	-9.9	-8.4
-20%	-13.2	-10.6
Assumptions		
Precept	4%	4%
Pay Awards	1%	2%

Sensitivity Analysis 2013-15	£'m
1% Pay Award	0.75
1% Precept	0.44
1% RSG*1/NNDR*2	0.67

RSG*1: Revenue Support Grant
NNDR*2: National Non Domestic Rates

Section Four

Revenue Budget 2011/12

Some Terms Explained

Revenue Expenditure

This relates to day-to-day spending on items such as staff salaries, heating and lighting, and supplies. The budget sets out how much the service area (function) expects to spend on different services throughout the financial year starting on April 1st 2011 and finishing on March 31st 2012. The budget for each service area (function), including central budget items under corporate and democratic core, constitute the Authority's General Fund expenditure. Government grants, business rates, fees and charges pay for this expenditure. The balance comes from the precept.

The budget in detail

This book sets out the budget for each service area (function) in three ways:

- Summary by division of service (Community Fire Safety, Fire Fighting and Rescue Operations, Central Services and Support Services).
- Subjective Analysis (expenditure type e.g. employee, premises, transport related etc).
- Cost Centre (function) details by expenditure type.

The summary budgets, split by division of service are shown for the financial year 2010/2011 and 2011/2012. They are shown at cash prices, in other words they include the provision cost increases during the year. All figures are subject to roundings.

Summary by cost centre (function) Details with subjective analysis (expenditure type)

Each division of service area's (function) budget is broken down into cost centres. Different cost centres cover the various services provided by a service area, e.g. Boroughs under Fire Fighting and Rescue and the split of support services under Management and Support Services.

Both expenditure and income budgets on each cost centre are shown for the 2011-12 financial year, analysed by subjective analysis (expenditure type) – which shows the detail about the different types of expenditure and income of the various service (function) areas.

Expenditure types are:

- **Employee costs** - covers spending on salaries for different groups of staff as well as indirect employee costs such as recruitment.
- **Premises-related costs** - covers maintenance, energy costs, rent, rates, insurance and costs such as cleaning.
- **Transport related** - covers car allowances, travel expenses and vehicle costs.
- **Supplies and services** - covers equipment such as protective clothing, printing, stationery, computing, telephone and catering costs.
- **Support Services** - covers services that the various service areas use internally within the Authority such as Finance and Technical services and Human Resources.
- **Capital charges** - are made in respect of all assets and owned by the Authority, including a charge for depreciation. They are different from capital financing costs, which are no longer charged to individual budgets but treated as a 'central item'.

Together, all of the above adds up to Gross Expenditure for a particular service area (function).

The service area (function) may also receive income, which comes under the following headings:

- **Grants** - covers particular items such as New Burdens funding from CLG.
- **Rents/Fees** - such as income from special services.
- **Recharges** - this relates to service areas (functions) such as resources where most services provide support to other service areas such Finance, ICT, Human Resources etc.

Gross Expenditure (total expenditure) minus total income is equal to Net Expenditure. It is the Net Expenditure figure which is shown in the Summary by Division of Service and Summary by Subjective Analysis.

Greater Manchester Fire and Rescue Authority Revenue Estimates 2011/12		
Functions	**2010/11 Estimate £**	**2011/12 Estimate £**
Community Fire Safety		
Prevention and Education	16,329,730	10,526,124
Statutory Inspection and Certification	6,534,688	5,121,661
Firefighting and Rescue Operations		
Communications and Mobilising	5,026,673	4,450,654
Securing Water Supplies	426,348	384,371
Firefighting Response	87,980,981	91,374,888
Fire Service Emergency Planning	425,942	490,790
Central Services		
Democratic Representation and Management	650,479	619,360
Corporate Management	141,634	160,409
Unapportionable Central Overheads	86,765	86,765
Support Services	0	0
Pension Fund [1]	0	0
Total Net	**117,603,150**	**113,214,448**

[1] The Pension Fund line above summarises the transactions relating to the ring fenced fire-fighters pension arrangements. The Fire and Rescue Authority has formal responsibility for paying fire fighters pensions. The Authority is required to set up a separate fund from the rest of its operations. The Fund is balanced to nil each year by receipt of a pensions top-up grant from the Department of Communities and Local Government.

Revenue Estimates 2011/12

Greater Manchester Fire and Rescue Authority Revenue Estimates 2011/12		
Expenditure and Income	**2010/11 Estimate £**	**2011/12 Estimate £**
Employees	137,610,191	135,161,100
Premises Related Expenses	3,770,400	3,828,246
Transport Related Expenses	2,657,140	2,649,279
Supplies and Services	9,107,518	8,265,269
Third Party Payments	5,398	5,452
Support Services	41,010,438	31,631,767
Capital Charges	3,430,581	4,020,883
Capital Financing	10,375	10,375
Total Expenditure	**197,602,041**	**185,572,371**
Grants and Contributions	-20,717,691	-23,340,568
Rents/Fees	-18,242,071	-17,841,347
Recharges	-40,819,379	-31,176,008
Total Income	**-79,998,891**	**-72,357,923**
Total Net Expenditure	**117,603,150**	**113,214,448**

Functions and Expenditure by Service

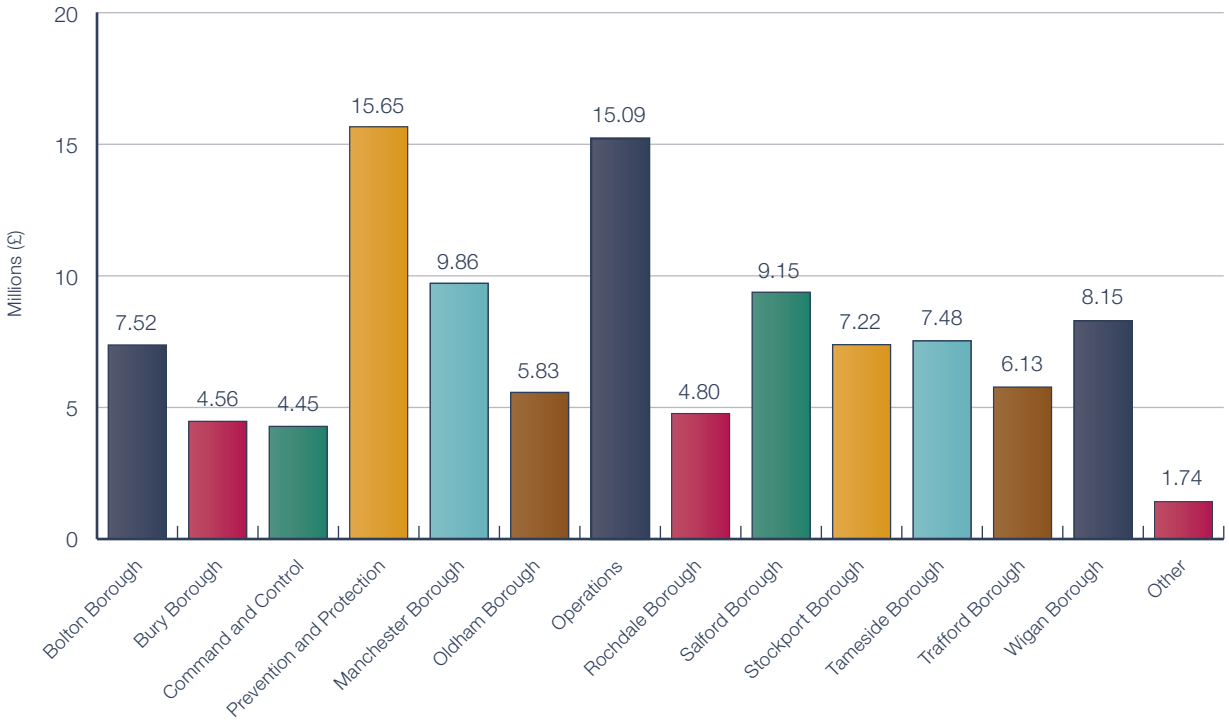
Functions

Function	Expenditure									Income				Net Expenditure
	Employees	Premises Related Expenses	Transport Related Expenses	Supplies and Services	Third Party Payments	Support Services	Capital Charges	Capital Financing	Total Expenditure	Grants	Rents / Fees	Recharges	Total Income	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Prevention and Protection - Community Safety														
Inspection Certification Enforcement	3,911,909	-	87,970	19,498	-	1,505,080	-	-	5,524,458	-	-83,410	-319,387	-402,797	**5,121,661**
Prevention and Education	4,073,501	5,221	126,681	341,435	-	6,498,794	37,868	-	11,083,500	-	-557,376	-	-557,376	**10,526,124**
Prevention and Protetcion Total	**7,985,410**	**5,221**	**214,651**	**360,933**	**0**	**8,003,874**	**37,868**	**0**	**16,607,957**	**0**	**-640,786**	**-319,387**	**-960,173**	**15,647,785**
Firefighting and Rescue														
Bolton Borough Command	6,400,330	320,956	134,028	153,043	-	323,623	195,128	-	7,527,108	-	-5,855	-	-5,855	**7,521,253**
Bury Borough Command	3,904,255	205,474	89,704	81,094	-	187,922	96,049	-	4,564,497	-	-3,716	-	-3,716	**4,560,781**
Command and Control	2,509,017	172	12,761	68,810	-	1,439,253	589,781	-	4,619,794	-169,714	-	-	-169,714	**4,450,080**
Manchester Borough Command	13,271,487	572,477	271,924	422,208	-	628,342	296,159	-	15,462,597	-	-13,173	-8,770	-21,943	**15'440,654**
Oldham Borough Command	5,009,801	196,310	95,735	135,169	-	249,515	147,776	-	5,834,307	-	-5,180	-	-5,180	**5.829,127**
Operations	1,341,217	7,527	76,336	443,954	-	18,591,501	365,050	-	20,825,585	-	-	-5,731,852	-5,731,852	**15,093,733**
Rochdale Borough Command	4,107,836	167,616	101,231	134,855	-	203,346	93,467	-	4,808,352	-	-4,729	-	-4,729	**4,803,623**
Salford Borough Command	7,732,998	400,940	179,508	228,129	-	393,007	223,914	-	9,158,496	-	-6,530	-	-6,530	**9,151,966**
Stockport Borough Command	6,214,183	271,241	124,453	97,618	-	333,058	178,501	-	7,219,053	-	-5,292	-	-5,292	**7,213,761**
Tameside Borough Command	6,619,719	232,069	93,230	102,078	-	269,188	171,333	-	7,487,618	-	-4,842	-	-4,842	**7,482,776**
Trafford Borough Command	5,246,485	112,045	94,310	745,628	-	249,722	151,560	-	6,599,749	-470,225	-4,616	-	-474,841	**6,124,908**
Water Section	153,522	-	2,513	119,245	-	105,307	3,784	-	384,371	-	-	-	0	**384,371**
Wigan Borough Command	7,001,626	369,471	137,217	103,602	-	343,570	203,126	-	8,158,612	-	-6,305	-	-6,305	**8,152,307**
Firefighting and Rescue Total	**69,512,476**	**2,856,598**	**1,412,950**	**2,835,432**	**0**	**23,317,355**	**2,715,628**	**0**	**102,650,138**	**-639,939**	**-60,238**	**-5,740,622**	**-6,440,799**	**96,209,339**
Emergency Planning														
Emergency Planning	369,824	349	19,541	92,440	5,452	49,925	-	-	537,531	-	-42,929	-3,812	-46,741	**490,790**
Emergency Planning Total	**369,824**	**349**	**19,541**	**92,440**	**5,452**	**49,925**	**0**	**0**	**537,531**	**0**	**-42.929**	**-3,812**	**-46.741**	**490,790**

Functions (continued)

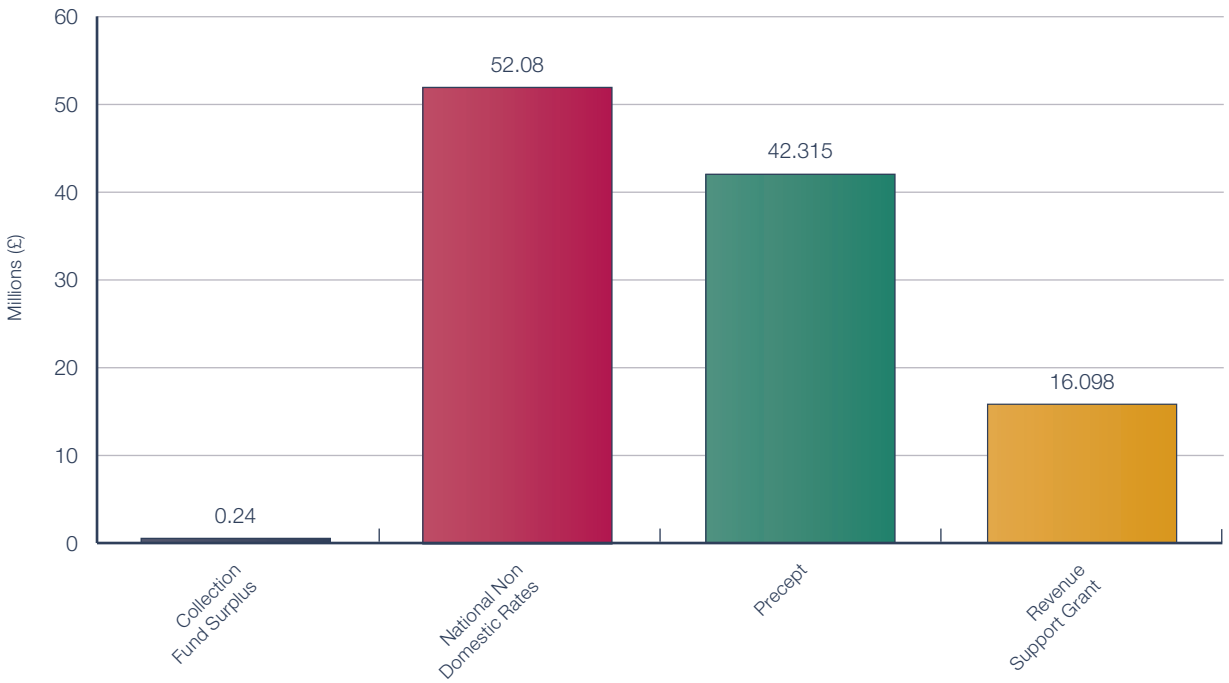
Function	Expenditure									Income				Net Expenditure
	Employees	Premises Related Expenses	Transport Related Expenses	Supplies and Services	Third Party Payments	Support Services	Capital Charges	Capital Financing	Total Expenditure	Grants	Rents / Fees	Recharges	Total Income	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Corporate and Democratic Core														
Corporate Management	-	-	-	57,956	-	102,453	-	-	160,409	-	-	-	0	160,409
Democratic Representation and Mgmt	162,581	-	2,559	344,440	-	109,780	-	-	x	-	-	-	0	619,360
Unapportionable Central Overheads	70,006	-	-	-	-	16,759	-	-	x	-	-	-	0	86,765
Corporate and Democratic Core Total	**232,587**	**0**	**2,559**	**402,396**	**0**	**228,992**	**0**	**0**	**866,534**	**0**	**0**	**0**	**0**	**866,534**
Management and Support Services														
Catering	154,106	-	788	51,275	-	-	-	-	206,169	-	-47,366	-158,803	-206,169	0
Corporate Functions	2,093,424	-	38,447	532,758	-	26,658	4,507	10,375	2,706,169	-	-61,252	-2,644,917	-2,706,169	0
Finance	1,222,305	14,514	37,132	641,755	-	4,963	-	-	1,920,669	-236,094	-28,602	-1,655,973	-1,920,669	0
Headquarters	195,302	648,086	4,505	132,010	-	-	117,408	-	1,097,311	-	-	-1,097,311	-1,097,311	0
Human Resources	2,116,638	-	27,862	211,403	-	-	-	-	2,355,903	-	-500,266	-1,855,637	-2,355,903	0
IT and Communications	1,307,687	-	26,251	2,486,705	-	-	700,264	-	4,520,907	-190,000	-46,923	-4,283,984	-4,520,907	0
Leigh Tech	188,656	110,207	-	11,843	-	-	48,720	-	359,426	-	-7,773	-351,653	-359,426	0
Ops Support	2,268,788	51	54,600	60,380	-	-	-	-	2,383,819	-29,535	-	-2,354,284	-2,383,819	0
Premises	487,484	18,592	9,977	57,855	-	-	32,755	-	606,633	-	-32,819	-573,844	-606,663	0
Stores	482,794	2,596	4,447	-5,208	-	-	10,186	-	494,815	-	-2,269	-492,546	-494,815	0
Training	4,362,119	164,053	132,425	363,480	-	-	111,933	-	5,134,010	-	-6,515	-5,127,495	-5,134,010	0
Transport	1,287,767	8,279	663,144	29,811	-	-	241,614	-	2,230,615	x	-8,609	-2,222,006	-2,230,615	0
Management and Support Service Total	**16,167,070**	**966,378**	**999,578**	**4,574,068**	**0**	**31,621**	**1,267,387**	**10,375**	**24,016,477**	**-455,629**	**-742,394**	**-22,818,454**	**-24,016,477**	**0**
Firefighters Pension Fund														
Firefighters Pension Fund	38,600,000	-	-	-	-	-	-	-	38,600,000	-22,245,000	-16,355,000	-	-38,600,000	0
Pension Fund Total	**38,600,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**38,600,000**	**-22,245,000**	**-16,355,000**	**0**	**-38,600,000**	**0**
Firefighter Pensions - Revenue Related														
Firefighter Pensions - Revenue Related	2,293,733	-	-	-	-	-	-	-	2,293,733	-	-	-2,293,733	-2,293,733	0
Firefighter Pension Fund Total	**2,293,733**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,293,733**	**0**	**0**	**-2,293,733**	**-2,293,733**	**0**
Total	**135,161,100**	**3,828,246**	**2,649,279**	**8,265,269**	**5,452**	**31,631,767**	**4,020,883**	**10,375**	**185,572,371**	**-23,340,568**	**-17,841,347**	**-31,176,008**	**-72,357,923**	**113,214,448**

Budget Net Expenditure by Service

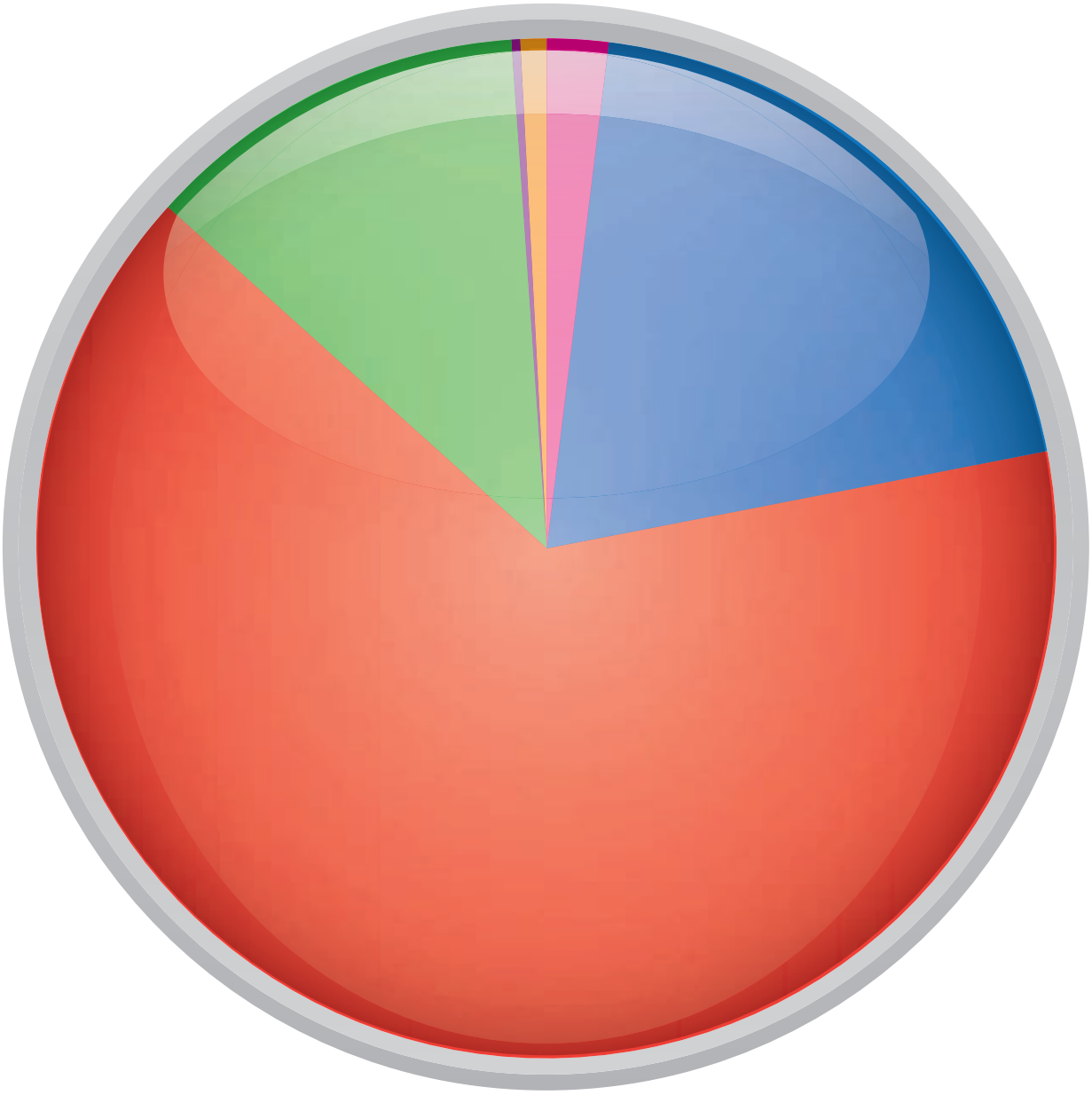


Precepts and Financing

Budget Net Expenditure by Service



Split of Revenue Budgets



Emergency Planning:
£0,445.39 million

Prevention and Protection:
£13,648.42 million

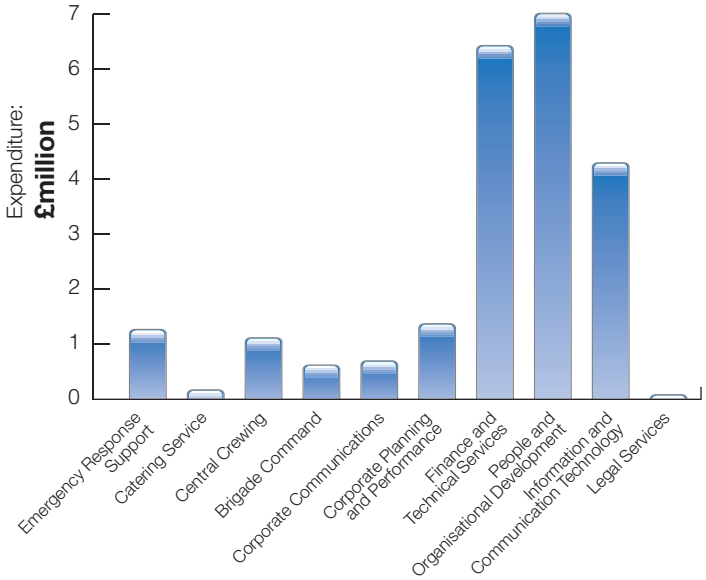
Corp and Democratic Core:
£0,740 million

Management and Support Services:
£22,818.45 million

Pensions:
£2,293.73 million

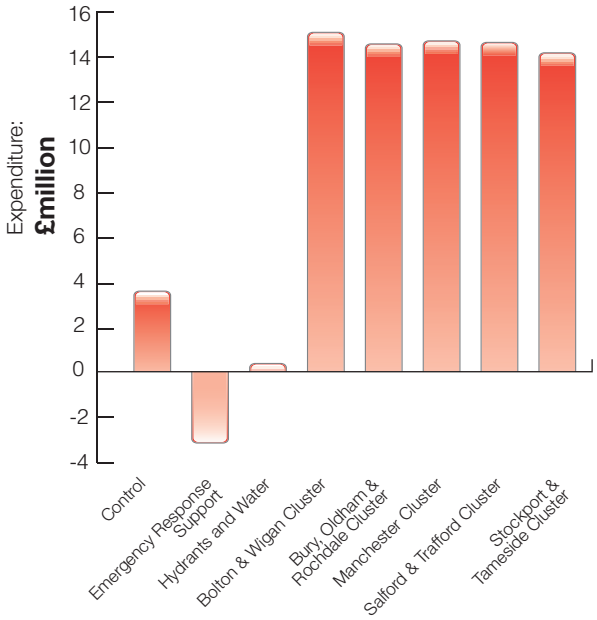
Firefighting and Rescue:
£73,268.46 million

Management and Support Services Expenditure by Departments



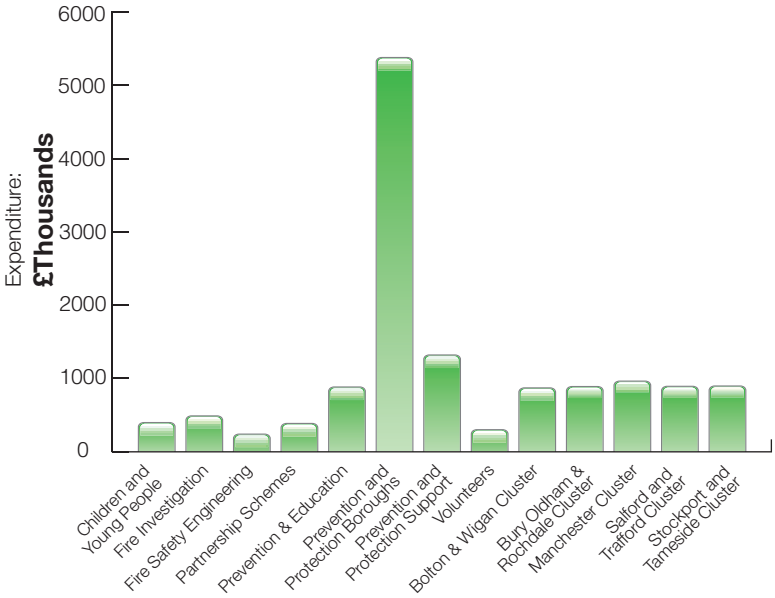
Management and Support Services Dept	Expenditure £m
Emergency Response Support	1,257.75
Catering Service	0,158.80
Central Crewing	1,098.20
Brigade Command	0,608.33
Corporate Communications	0,675.85
Corporate Planning and Performance	1,347.43
Finance and Technical Services	6,393.33
People and Organisational Development	6,980.17
Information and Communication Technology	4,284.42
Legal Services	0,014.17

Firefighting and Rescue Expenditure by Departments



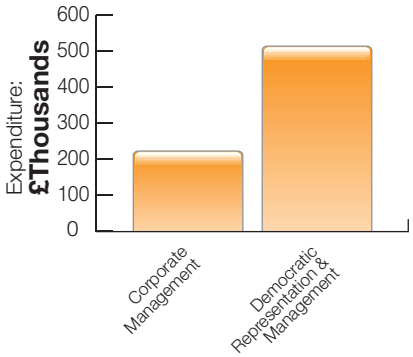
Firefighting and Rescue	Expenditure £m
Control	3,010.83
Emergency Response Support	-3,130.06
Hydrants and Water	0,279.06
Bolton & Wigan Cluster	15,006.37
Bury, Oldham & Rochdale Cluster	14,552.75
Manchester Cluster	14,821.08
Salford & Trafford Cluster	14,634.15
Stockport &Tameside Cluster	14,094.29

Prevention and Protection Expenditure by Departments



Prevention and Protection Expenditure	Expenditure £m
Children and Young People	0,314.06
Fire Investigation	0,450.08
Fire Safety Engineering	0,155.34
Partnership Schemes	0,301.26
Prevention & Education	0,852.66
Prevention and Protection Boroughs	5,410.69
Prevention and Protection Support	1,283.28
Volunteers	0,252.63
Bolton & Wigan Cluster	0,922.71
Bury, Oldham & Rochdale Cluster	0,919.08
Manchester Cluster	0,955.76
Salford and Trafford Cluster	0,915.14
Stockport and Tameside Cluster	0,915.72

Corp & Democratic Core Expenditure by Departments



Corp and Democratic Core	Expenditure £m
Corporate Management	0,230.42
Democratic Representation & Management	0,509.58

Budget Profiling

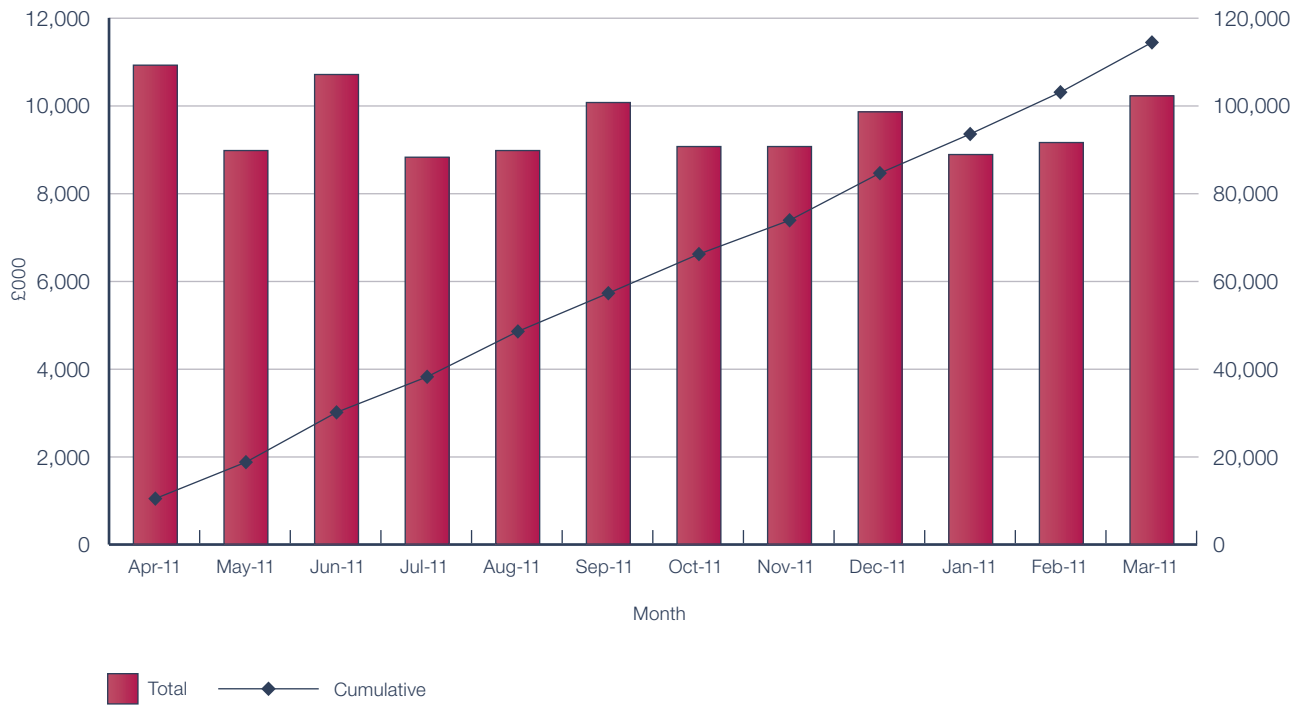
Budget Profiling

A detailed exercise has taken place before the start of the financial year 2011/12 with all budget holders to ensure that the budget is phased appropriately across the financial year with plans on the timings of when the expenditure will be committed to. This will be updated and maintained during the year to ensure it is kept up to date to match with the Authority's plans. The table below demonstates this budget profile for 2011/12. Please note this excludes the Firefighters Pension Fund.

Expenditure Type	Apr-11 £000s	May-11 £000s	Jun-11 £000s	Jul-11 £000s	Aug-11 £000s	Sep-11 £000s	Oct-11 £000s	Nov-11 £000s	Dec-11 £000s	Jan-12 £000s	Feb-12 £000s	Mar-12 £000s	**Total**
Employees Pay	6,719	6,719	7,078	6,746	6,657	6,660	6,732	6,591	6,598	6,591	6,867	6,765	80,723
Pensions	1,049	1,049	1,050	1,049	1,049	1,050	1,049	1,049	1,050	1,049	1,049	1,349	12,894
Indirect Employee Allowances	119	152	394	185	168	420	229	176	369	213	194	326	2,944
Premises Related Expenditure	378	331	372	324	343	363	321	322	334	326	201	213	3,828
Transport Related Expenditure	177	161	285	234	204	283	193	216	245	195	185	271	2,649
Supplies, Services & Other Expenses	2,487	475	723	490	426	509	482	582	448	547	459	637	8,265
Support Services	143	23	7,829	25	23	7,833	25	23	7,829	25	23	7,829	31,632
Agency and Contracted Services	0	0	0	0	0	0	0	0	0	0	0	0	5*
Capital Charges	0	0	1,005	0	0	1,005	0	0	1,005	0	0	1,005	4,021
Capital Financing Costs	1	1	1	1	1	1	1	1	1	1	1	1	10
Government Grants	-30	-30	-148	-220	-30	-148	-30	-30	-148	-30	-30	-218	-1,096
Other Grants Reimbursements & Contributions	0	0	0	-125	0	0	-125	0	0	-125	0	125	-503
Customer & Client Receipts	-88	-64	-72	-70	-84	-98	-94	-93	-80	-83	-72	-86	-984
Recharges to Other Revenue Account Heads	0	0	-7,794	0	0	-7,794	0	0	-7,794	0	0	-7,794	-31,176
Total	**10,954**	**8,818**	**10,724**	**8,640**	**8,756**	**10,085**	**8,782**	**8,839**	**9,858**	**8,709**	**8,877**	**10,173**	**113,215**

* Due to reporting in whole thousands, there are roundings within these workings

Revenue Profiled Budget 2011/12



Section Five

Prudential Indicators And Capital Programme

Capital Programme and the Prudential Code

Capital expenditure is the long-term expenditure on items such as the purchase of land, the construction of fire stations, major repairs to existing facilities, and IT equipment etc. This is funded from Government grants, receipts from the sale of Authority land, or property, and long-term borrowing. Similar to a mortgage, long-term borrowing is repaid over a number of years – typically 25 years. Capital financing costs are revenue costs in the budget and relate to the annual charges/repayments made against borrowing funds.

Since April 2004, fire authorities have had the power to borrow to fund capital schemes without central Government approval but, prior to doing so, we are required to determine whether or not it is prudent to do so. The mechanism for this is to look at a series of indicators known as prudential indicators intended to measure the extent of our debts and our ability to pay them back. We indentify these at the time of setting the revenue budget and capital programme whether or not we are actually planning to use these powers to borrow.

The main requirements to determine prudential indicators for 2010/11 are as follows:

- To determine estimates of capital expenditure for the forthcoming year and the two years thereafter. (See Table 1).
- To determine the capital finance requirement (mainly, the amount of capital expenditure to be financed by borrowing) for each of these years. (See Table 4).
- To estimate the ratio of capital financing costs to net revenue streams and the impact on precepts (See Tables 5 and 6).
- To set an operational boundary for external debt for the forthcoming year and the two years thereafter (See Table 7).
- To set an authorised limit for external debt for the forthcoming year and the two years thereafter (See Table 8).
- To set prudential indicators in respect of Treasury Management (See Tables 9 and 10).

In setting prudential indicators, the Authority is required to have regard to the following:

- Service objectives, e.g. strategic planning for the authority.
- Stewardship of assets, e.g. asset management planning.
- Value for money, e.g. option appraisal.
- Prudence and sustainability, e.g. implications for external borrowing.
- Affordability, e.g. implications for precepts.
- Practicality, e.g. achievability of the forward plan

Determination of estimates of capital expenditure 2010/11 to 2012/13

Table 1 sets out the overall estimated level of capital expenditure and the revisions from the previously approved programme. It should be noted that these estimates and the underlying programme have been set for the purposes of producing prudential indicators.

The estimates are derived from the current approved capital programme with certain annual projects e.g. vehicle replacements, being continued into the later years of the overall programme. The indicative capital programme also includes the addition of a number of building work schemes, which are consistent with the approved Authority Asset Management Plan.

Table 1. Summary Capital Programme 2010/11 to 2013/14

	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m
I.T. Related Schemes	1.033	0.951	0.150	0
Operational vehicles & equipment	2.712	1.010	0.925	2.975
Asset Management Plan	1.775	6.486	2.180	3.230
Operational Training	0	1.150	0	0
Total	**5.520**	**9.597**	**3.255**	**6.205**

The Prudential Code recognises that, in making its capital investment decisions, the Authority must have explicit regard to option appraisal, asset management planning, strategic planning and achievability of the forward plan.

Determination of the Capital Financing Requirement

The Prudential Code requires that estimates of the capital financing requirement should be produced – the balance between use of capital receipts, borrowing and revenue resources.

The starting point for these calculations is the aggregation of certain figures in the latest balance sheet; in this case 31 March 2010. This figure is then affected each year in the following way:

- It increases as capital expenditure is incurred.
- It is reduced to the extent that expenditure is financed by Government grants, capital receipts, direct revenue funding and use of external contributions.
- It is reduced by the statutory charge to revenue (Minimum Revenue Provision) and by any additional voluntary charge to revenue.

An assessment has been made of the financing sources that will fund the capital expenditure estimates. In making this assessment the following assumptions have been made:

- Of the 2010/11 supported borrowing allocation given by central Government of £4.524m, £0.405m will be carried forward into 2011/12.
- Unsupported borrowing may be required pending the outcome of discussions with CLG on the future of capital grants for the Authority. Representations to CLG have been made and it has been stressed that early clarification on future capital resources are needed given the significance to funding our forward capital programme for 2012/13 and 2013/14. If grant is not available then prudential borrowing of £5.605m for 2013/14 will need to be considered.
- Capital grant allocations as notified by Central Government.
- Capital receipts from agreed disposals and anticipated disposals from the release of future surplus sites have been estimated.
- The Capital Fund will provide (and will be sufficient to provide) the balance of funding for the years 2010/11 to 2012/13.

Table 2 summarises the estimated funding sources for the capital programme.

Table 2 (Resourcing the Capital Programme)

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
Total spending requiring funding	**5,520**	**9,597**	**3,255**	**6,205**
Borrowing - supported	3,790	735	0	0
Capital Grant Allocations	1,730	2,880	0	0
Borrowing - unsupported	0	0	0	5,605
Capital receipts	0	1,260	0	0
Capital Fund	0	4,722	3,255	600
Total resources used in funding	**5,520**	**9,597**	**3,255**	**6,205**

The adequacy of the Capital Fund to meet this programme funding requirement is demonstrated in the following table, showing the impact of demand on the fund in the years 2010/11 to 2013/14.

Table 3 (Capital Fund balances)

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
Balance at start of year	**4,927**	**7,577**	**3,855**	**600**
Transfers to Fund	2,650	1,000	0	0
Demand on fund from capital programme	0	-4,722	-3,255	-600
Balance at end of year	**7,577**	**3,855**	**600**	**0**

As a consequence of this spending programme and its funding, the capital financing requirement is estimated to change as follows over the period of this review.

Table 4 (The estimated capital financing requirement)

	Total capital financing requirement £000
Estimated at 31 March 2011	46,304
Change in 2011/12	2,302
Estimated at 31 March 2012	44,002
Change in 2012/13	-1,950
Estimated at 31 March 2013	42,052
Change in 2013/14	3,263
Estimated at 31 March 2014	45,315

As a consequence of this spending programme and its funding, the capital financing requirement is estimated to change as follows over the period of this review.

Table 4 (The estimated capital financing requirement)

Estimating the ratios of capital financing costs to net revenue streams and the impact on precepts

The Authority is required to calculate for 2011/12, 2012/13 and 2013/14 the relationship between financing costs and the net revenue stream.

Financing costs refer mainly to:

- Interest payable on external borrowing and other long-term liabilities.
- The Minimum Revenue provision and any voluntary contributions.
- Investment income.

Net revenue stream refers to: -

- The amount in the Income and Expenditure Account to be met from Government grants and local taxpayers, which is assumed to equate to the budget requirement.

Table 5 below sets out the calculations:

Table 5. (Ratio of capital financing costs to revenue streams)

	2011/12	2012/13	2013/14
Estimated financing costs (£'000)	4,109	4,109	4,109
Estimated net revenue stream (£'000)	113,215	112,244	112,857
Ratio of financing costs to net revenue (%)	3.63	3.66	3.64

In addition, the Authority is required to show the incremental impact of capital investment decisions on the precept. The incremental impact has been calculated as the financial consequences of any unsupported borrowing, together with any revenue consequences other than financing costs associated with the overall programme.

A potential provision for unsupported borrowing has been identified in 2012/13 and 2013/14. Any additional costs of borrowing are at this stage anticipated to be funded from within existing resources.

Table 6 (Impact on precepts)

		2011/12	2012/13	2013/14
Estimated budget requirement with capital programme at estimated levels for (£000)	A	114,273	112,302	112,915
Estimated budget requirement with capital programme estimates excluding unsupported borrowing (£000)	B	114,273	112,283	112,660
Non financing costs arising from capital programme included in "A" (£000)	C	0	0	0
Effect on budget requirement of removing unsupported borrowing and other revenue costs (£000)	(A-B) +C	0	0.019	0.255
Cumulative effect on precept (£.p)		0.00	0.00	0.00
Year on year effect on precept (£.p)		0.00	0.00	0.00

Setting the Authorised Limit and the Operational Boundary for external debt

The Authority is required to set these two limits to its external debt. External debt refers to borrowing and other long-term liabilities.

Both the authorised limit and operational boundary need to be consistent with the Authority's plans for capital expenditure and financing, and with its Treasury Management policy statement and practices.

The operational boundary is to directly link into the Authority's plans for capital expenditure, the estimates of the capital financing requirement and the estimate of the cash flow requirements for all other purposes, including revenue.

Table 7 sets out the calculation of the operational boundary for the years 2011/12 to 2013/14:

Table 7 (The Operational Boundary)

	Borrowing £000	Other Long Term Liabilities £000	Total External Debt £000
2010/11			
Amounts outstanding 1.4.2010	8.998		8.998
Additional borrowing	0		0
Maturing loans	0		0
Use of Capital Fund for capital programme	0		0
Use of Revenue balances	-2.650		-2.650
Change in Capital financing requirement 2010/11	4.119		4.119
Revenue set aside (Statutory MRP)	-1.414		-1.414
Revenue set aside (voluntary addition)	-1.207		-1.207
Estimated operational boundary at 31.3.2011	**7.846**	**0**	**7.846**
2011/12			
2011/12 cash flows			
Maturing loans	-2.298		-2.298
Replacement loans	2.298		2.298
Use of Capital Fund for capital programme	7.552		7.552
Use of Revenue balances	-1.000		-1.000
Change in Capital financing requirement 2011/12	0.405		0.405
Revenue set aside (Statutory MRP)	-1.500		-1.500
Revenue set aside (voluntary addition)	-1.207		-1.207
Estimated operational boundary at 31.3.2012 2012/13	**12.096**	**0**	**12.096**
2012/13 cash flows			
Maturing Loans	-2.000		-2.000
Replacement Loans	2.000		2.000
Use of Capital Fund for capital programme	1.025		1.025
Use of Revenue balances	0		0
Change in Capital financing requirement 2012/13	0.665		0.665
Revenue set aside (Statutory MRP)	-1.408		-1.408
Revenue set aside (voluntary addition)	-1.207		-1.207
Estimated operational boundary at 31.3.2013 2013/14	**11.171**	**0**	**11.171**
2013/14 cash flows			
Maturing Loans	0		0
Replacement Loans	0		0
Use of Capital Fund for capital programme	0		0
Use of Revenue balances	0		0
Change in Capital financing requirement 2013/14	5.800		5.800
Revenue set aside (Statutory MRP)	-1.330		-1.330
Revenue set aside (voluntary addition)	-1.207		-1.207
Estimated operational boundary at 31.3.2014	**14.434**	**0**	**14.434**

The calculation of the authorised limit should provide headroom over and above the operational boundary to allow for unusual cash movements. It is therefore recommended that the authorised limit allows for a 5% variation (rounded to the nearest £0.5 million) on the operational boundary to allow for such headroom. On this basis, the authorised limit would be as shown in Table 8.

Table 8 (The Authorised Limit)

	Borrowing £m	Other Long Term Liabilities £m	Total External Debt £m
For 2011/12	13.0	0	13.0
For 2012/13	12.0	0	12.0
For 2013/14	15.0	0	15.0

Treasury Management Prudential Indicators

The Authority determines a Treasury Management Policy Statement (i.e. how we manage our borrowing and cash investments) prior to the start of the financial year and this will continue to be done. Under the prudential code, there are certain aspects of this policy that need to be determined now.

These indicators are in respect of:

- The Treasury Management Code of Practice.
- Interest rate exposures.
- The maturity structure of borrowing.
- The total principal sums invested for periods longer than 364 days.

Code of Practice

It is confirmed that the Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

Interest Rate Exposures

The Authority is required to set upper limits to its exposures to the effects of changes in interest rates for both fixed interest rate and variable rate loans.

It has been Authority policy to borrow at fixed rates of interest and this will continue. Table 9 sets out the calculation of the upper limits for fixed rate and variable rate loans for the period in question.

Table 9 (Calculation of upper and lower limits for fixed and variable rate loans)

	2011/12	2012/13	2013/14
Fixed rate exposure			
Estimated fixed rate borrowing (at operational boundary)	12.096	11.171	14.434
Less :- value of investments held at fixed rates	0	0	0
Upper limit on fixed rate exposure	12.096	11.171	14.434
Variable rate exposure			
Estimated variable rate borrowing	0	0	0
Less value of investments held at variable rates	0	0	0
Upper limit on variable rate exposure	0	0	0

The maturity structure of borrowing

The Authority is required to set for the forthcoming year only both upper and lower limits with respect to the maturity structure of its projected fixed-rate borrowing. The limits are expressed as percentages of total projected borrowing. The recommended limits are shown in Table 10.

Table 10 (Maturity structure of projected borrowing)

	Upper limit %	Lower limit %
Under 12 months	0	0
12 months and within 24 months	0	0
24 months and within 5 years	50	0
5 years and within 10 years	50	0
10 years and above	100	50

The maturity profile that is actually chosen for new borrowing would depend on prevailing market conditions, the acceptance of the above limits will give reasonable flexibility in that it would allow:

- All new borrowing (but no less than 50%) to be taken out for 10 years or more.
- Up to 50% of new borrowing to be taken out for periods of 2 to 10 years.
- No borrowing for less than 2 years.

The total principal sums invested for periods longer than 364 days.

The Authority is required to set a prudential limit on sums invested for periods longer than 364 days. It is not envisaged that there would be any investments held for more than 364 days.

Table 11 - Summary of Prudential Indicators

	Indicator	2010/11	2011/12	2012/13
	Capital Spending			
1	Estimated capital expenditure (£)	9,597	3,255	6,205
2	Estimated capital financing requirement (£)	44,002	42,052	45,315
	Capital Financing Ratios			
3	Estimated ratios of capital financing costs to net revenue streams (%age)	3.63	3.66	3.64
	Impact on Revenue			
4	Incremental impact of Capital Expenditure Decisions on Precept (£.p)	0.0	0.0	0.0
	Treasury Management			
5	Operational Boundary (£)	12,096	11,171	14,434
6	Authorised Limit (£)	13,000	12,000	15,000
7	Fixed Rate Exposure Limit (£)	12,096	11,171	14,434
8	Variable Rate Exposure Limit (£)	Nil	Nil	Nil
9	The Authority will continue with its policy to borrow only at fixed rates of interest			
10	The Authority determines the following maturity structure for new borrowing in 2010/11:	Upper Limit (%)	Lower Limit (%)	
	Under 12 months	0	0	
	12 months and within 24 months	0	0	
	24 months and within 5 years	50	0	
	5 years and within 10 years	50	0	
	10 years and above	100	50	
11	The Authority will not invest for periods of longer than 364 days			

Capital Programme 2010/11 to 2013/14

	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Total £000
IT Related Schemes					
Station Infrastructure/ IT Renewal	200	150	150		500
System upgrades	307	176			483
GIS Upgrade		150			150
Telephony	470				470
Mobilisation resilience		300			300
ICU IT		175			175
Diversity	56				56
	1033	**951**	**150**	**0**	
Vehicles and Equipment					
Operational Equipment	2,271	470	400	2,800	5,941
General Vehicles	65	90	75	75	305
Community Safety Assets		100	100		200
Operational Equipment	100	100	100	100	400
Helmet Replacement	21				21
Sustainability (DV19)	255	250	250		755
	2712	**1010**	**925**	**2975**	**7622**
Asset Management Plan					
Fire station rebuilds (DV13)	261	3810	100	2,000	6,171
Day Crewing Plus (DV13 & DV11)		400	1,500	900	2800
Land Bank (DV13)	87	785			872
Minor Works	450	100	100	100	750
Roof Replacement	106				106
Drill Towers	140	11			151
Blackley Refurbishment (DV13)		420			420
Asset Strategy Group	170	230	100	100	600
FSHQ Works/ M&E		50			50
Boiler Replacement/ Heating	230				230
Asbestos Management	50				50
Thompson Street Improvement Works (DV13)	26	680			706
Irlam electric and heating			130		130
Leigh Heating & Electrical			250		250
Mossley Heating & Electrical				130	130
Electrical Rewires	30				30
Equality/ DDA Works	225				225
	1775	**6486**	**2180**	**3230**	**13671**
Operational Training Schemes (DV20)					
CFBT (Oldham/ Manchester Airport)		210			210
Incident Command Practical Site		450			450
BA Multirig		200			200
BA Heat and Smoke/ RTC & Trench		250			250
Training- Fire Investigation Unit		40			40
	0	**1150**	**0**	**0**	**1150**
Total Programme	**5520**	**9597**	**3255**	**6205**	**24577**

Key Capital Projects 2011/12

- The provision for the development of Day Crewing Plus Facilities at stations have been budgeted at £0.4m for 2011/12. The review of the risk model and future crewing models will be considered and developed.
- The works for Blackley Fire Station comprises of heating and electrical upgrades in addition to structural repairs and enhancement to the concrete structural frame and masonry walls. The steelwork supports to the entrance and bridge area are to be repaired and additional supports introduced.
- The Asset Strategy Group works take into account rephasing of planed works at FSHQ and Boroughs arising from organisational changes.
- The works to FSHQ comprise of hot and cold water service upgrades so that compliance is achieved with new legislation for Legionella control which necessitates this investment as part of a risk-managed strategy.
- Irlam, Leigh and Mossley Fire Stations – the works comprise of new boiler plant, pipe work and radiators along with solar collectors for enhanced efficiency.
- Compartment Fire Behaviour Training (CFBT). This project will allow for the provision of CFBT facilities at Manchester Airport (in partnership with the Airport and Cheshire Fire and Rescue Service) and Oldham Fire Station (subject to planning application approvals).
- Incident Command Practical Site – This scheme will provide an opportunity to develop our own Incident Command Practical facility which will result in an ability to deliver all of our incident command practical needs internally and at reduced cost.
- BA Multirig – this will provide a Multirig facility comprising of 6-8 cabins which will allow the opportunity to train firefighters in a number of realistic fire situations.
- BA Heat and Smoke Facility/RTC & Trench – this provides an opportunity to develop the infrastructure supporting existing BA Heat and smoke facilities and to develop a local Heat and Smoke facility in a suitable location within the Wigan and Bolton area. This project would potentially tie in with a further project to develop a Road Traffic Collision and Trench Training facility.
- Fire Investigation Unit – This will provide a fire investigation sample burn facility which would result in an enhanced level of knowledge and skill in initial fire investigation techniques amongst operational personnel.
- GIS Upgrade – A Geographical Information System capital upgrade will take place in 2011/12.

Section Six

Sustainability

Sustainability And Financial Reporting

Since the Kyoto Protocol, governments around the world have been working together to reduce their impact to climate change and emissions of greenhouse gases. In the UK, the Government set a leading example by introducing the Climate Change Act (2008). The Act established a legally binding UK emissions reduction target for key greenhouse gases of 80% by 2050 and 34% by 2020.

The Service has been publicly recognised as a national leader in the field of sustainability, and presented with three prestigious national awards for sustainability activities, alongside organisations such as Marks and Spencer's, The Co-operative Group, and E.ON.

The 5-year sustainability strategy, endorsed by the Authority in October 2010, is being delivered and has been incorporated into directorate plans. In addition to reducing our impact upon the environment, the strategy targets cost avoidance of £3.55 million by 2015.

Progress to Date

The graph that follows shows the overall reduction in greenhouse gas emissions from electricity, gas, fuel, waste and water for the year 2010/11 versus the previous two years.

Year	Actual Emissions (kg)	BAU Emissions (kg)	Target (kg)
2008/09	8,880,369	8,880,369	8,880,369
2009/10	8,444,471	8,942,532	8,383,068
2010/11	8,002,119	9,005,129	7,913,616

Annual Greenhouse Gas Emissions vs target and no action (Business as Usual)

2010/11 Sustainability Performance

2010/11 Electricity

Electricity usage has reduced by 9.1% compared to 2009/10. This is a significant reduction in consumption year-on-year, exceeding our target of 5.6%. This achievement reflects the Authority's targeted support of capital investment to improve electricity usage efficiency during 2010/11 including voltage optimisation systems at 15 of our highest energy consuming sites and retrofit projects across the estate.

The total cost savings achieved over 2010/11 through reductions in electricity consumption (compared to taking no action) are approximately £150,000, and it is anticipated meeting our 25% target will avoid more than £730,000 in utility costs by 2015.

Electricity	
Target: 5.6%	reduction in consumption
Actual: 9.1%	reduction in consumption
£148,363	2010/11 saving in electricity costs, compared to taking no action

2010/11 Diesel

Diesel usage has reduced by 13.3% compared to the previous year. This significant reduction in consumption may be attributable to a number of factors, including a reduced number of incidents, fuel efficient policies and investments in fuel efficient/ energy saving technologies and driver training.

The Authority's comprehensive approach to sustainable travel and fleet management has received considerable external praise, including winning a prestigious national award; the Business in the Community 'Example of Excellence'.

The total cost savings achieved over 2010/11 through this reduction in diesel consumption (compared to taking no action) are more than £300,000, and it is anticipated that meeting our 25% target for diesel will avoid fuel costs of more than £1.5 million by 2015.

Diesel	
Target: 5.6%	reduction in consumption
Actual: 13.3%	reduction in consumption
£319,405	2010/11 saving in electricity costs, compared to taking no action

2010/11 Gas

Gas usage shows a 4.8% increase versus the previous year. Gas usage is seasonal and part of the increase may be attributable to cold snap in December, however the Authority is not currently on target to meet a 25% reduction in gas use by 2015.

For 2011/12, gas consumption will be prioritised and addressed through development of an energy policy, alongside staff engagement and potentially capital investment where payback periods are identified as acceptable.

Authority members are requested to note that the costs avoided by meeting the 25% reduction target in gas use are anticipated to reach over £1million by 2015.

Gas		
Target:	5.6%	reduction in consumption
Actual:	4.8%	increase in consumption

2010/11 Waste and Water

Producing waste and using water in Authority buildings accounts for a much smaller proportion of our carbon footprint compared to gas, electricity and diesel, but each still result in an avoidable cost and environmental impact.

The latest figures show that recycling rates across the service have now increased from 55% to more than 70%. The agreed target for 2015 is to recycle 75% of all waste. In order to improve our performance in this area to reach the last 5%, weekly and quarterly checks are now carried out by staff 'Environmental Champion' volunteers to ensure that all recyclable waste is segregated wherever possible.

Water consumption in Authority buildings has reduced year-on-year, but it should be noted that much of our water use is unbilled consumption during training and incident response. This has a significant environmental impact and embedded carbon footprint, which will be revealed in more detail in further updates through the Appliance, Flow Meter and Telemetry project (AFLOAT).

Waste	
2008/09:	55% of all waste recycled
2010/11:	71% of all waste recycled

2010/11 Paper Use

The Authority now uses 1.8 million fewer sheets of paper per year, compared to our first year of measuring in 2008/09. This is a 37% reduction, and represents a significant reduction in the Authority's indirect carbon footprint.

Paper	
2008/09:	5,066,000 sheets of paper used
2010/11:	3,200,000 sheets of paper used

2010/11 Carbon Footprint from Fires

The Authority is undertaking world-leading research to calculate the carbon footprint of fires in the built environment.

This research has allowed us to demonstrate the considerable environmental benefit of the Authority's focus on fire prevention and associated decline in incidents. Over the past year alone, the reduced number of fires corresponds to a reduction in Greater Manchester's carbon footprint of almost 700 tonnes.

Fires	
2009/10:	11992 tonnes of $C0^2$ from fires
2010/11:	11294 tonnes of $C0^2$ from fires

Overall Performance To Date (2008-2011)

By comparing the predicted resource use (if no action was taken) to the actual measured cost and consumption to date, we can show the value of the Authority's sustainability strategy.

Savings to date	
3.5% ↓	reduction in gas consumption
9.3% ↓	reduction in electricity consumption
18.3% ↓	reduction in diesel consumption
£1,087,335	Last year +this year's savings vs taking no action (2009/10 +2010/11)

Note that this could be considered a conservative estimate, over the last ten years utility costs have increased by around 300% and indications for 2011/12 are for a 25% increase on the previous year.

Strategy

All ten metropolitan councils of Greater Manchester now have individual climate change plans approved or in development, and work is underway through the Manchester Environment Commission to bring these together into a combined Greater Manchester Climate Strategy.

The AGMA 2011 Climate Strategy was submitted for final approval on July 29th, with a series of actions to be developed up to 2014. The strategy sets out four goals to be achieved by 2020:

- A rapid transition to a low carbon economy.
- Collective carbon emissions reduced by 30-50%.
- Preparation and active adaptation to a rapidly changing climate.
- Carbon literacy' embedded into the culture of our organisations, lifestyles and behaviours.

Our sustainability strategy is complementary to the wider Greater Manchester Strategy goals and we continue to work closely with the Environment Commission and other regional partners to deliver our three agreed aims of:

- Reducing our carbon footprint.
- Adapting to climate change.
- Promoting sustainable behaviours, both within our organisation and in the communities that we serve.

Through effective collaboration we will make our city region more sustainable and unlock the significant economic growth opportunities, estimated to be approximately £20 billion by 2020.

The Director of Finance and Technical Services Represents the Authority on the Chief Officers Group which supports the Environment Commission.

Key Projects Over 2011/12

Green Hose Awards – As part of the ongoing recognition and reward review, and continuing the Authority's award-winning success in sustainable behaviour initiatives, the Green Hose Awards will be an internal competition which has been developed by our Environmental Champions to promote and celebrate the best environmental practice across the service. This low-cost initiative will allow benchmarking and league-tabling of stations, and help to drive local efficiency and accountability to reduce resource consumption by up to 10%.

To support innovation and efficiency, all staff will be invited to propose cost-saving sustainability initiatives to a panel of judges from across the Authority, and the most promising ideas will be considered for implementation within the asset management programme.

Environmental Management – Members will recall that the Authority was the first public sector organisation in the country to achieve the British Standard for Environmental Management (BS8555: Phase 3) at all sites, demonstrating a commitment to effectively manage our environmental risks and ever-increasing legal obligations.

Over 2011/12 the Service will implement the internationally recognised Environmental Management System (ISO14001). This independently-assessed system will provide even greater scrutiny and governance of our key environmental risks, and ensure that we maximise the economic and environmental benefits of delivering the Authority's strategy.

Energy Policy – To build on the successful work to date in reducing electricity consumption, and to avoid significant costs in gas usage (saving more than £1 million by 2015), the Service will develop an energy policy over 2011/12. The focus of the energy policy will be heating and cooling provision. When supported with staff engagement, energy policies have been demonstrated by organisations, such as the Environment Agency, to reduce gas consumption by up to 35%.

Green Travel Plan – The Authority is now recognised as a national leader on sustainable fleet management, which stands us in good stead to meet the challenge of rapidly rising fuel costs. To further support our staff and reduce our direct and indirect carbon footprint, a range of 'green travel' measures are under consideration. An independent 'green fleet review' from the Energy Saving Trust has identified potential savings of up to 320 tonnes of CO2 emissions per year.

Sustainable Procurement – Whilst the Service has made significant reductions in direct resource consumption and associated CO2 emissions, other Fire and Rescue Authorities have taken the initiative to embed sustainability throughout their procurement and supply chain, demonstrating further cost and environmental benefits.

Over 2011/12 we plan to develop and implement a robust Sustainable Procurement Strategy for the Authority, utilising best practice from around the world.

Risks

Price increases may result in increased year-on-year spend for electricity, gas and/or diesel. Over the last ten years utility costs have increased by around 300% and indications for 2011/12 are for a 25% increase on the previous year. Whilst utility and fuel costs may vary, it remains certain that continued reduction in resource consumption to meet the agreed 25% target is a significant cost saving compared to taking no action.

The Carbon Reduction Commitment (CRC); a mandatory carbon trading scheme for all organisations whose annual half-hourly metered electricity usage exceeded 6,000 MWh per year. Since 2009, the Authority's level of electricity consumption has remained under this threshold value, exempting us from full participation in the scheme.

On 30 June 2011 the UK Government announced a set of proposals to amend and simplify the CRC scheme. These proposals will be formally consulted on in early 2012, but will likely result in a change to the threshold for participation. Members should note that the Authority may be required to participate in the CRC from 2012/13 onwards, and the likely associated costs will be reflected in further updates following the UK Government consultation.

The climate change and sustainability agenda continues to develop quickly and, in the recent Government changes, a new department has been created to lead this agenda from a national perspective. As a high-profile public sector organisation we have the ability to show leadership on sustainability, which, in addition to having many environmental implications, has significant cost implications for the Service if we fail to address the available opportunities.

To ensure robust environmental governance and the delivery of our sustainability programmes we have implemented and externally certified Environmental Management System, which is audited and assessed annually by UKAS* accredited auditors. In 2009, Greater Manchester Fire Authority became the first public Authority to have achieved the British Standard (BS 8555) across its entire organisation and retained this certification in 2010.

For further information on how to contact us and for details of our sustainability reporting commitments and plans please view our website: www.manchesterfire.gov.uk

UKAS*: xxxx xxxx xxx xxxxx


FIRE
FIRE

Section Seven

Value For Money Strategy

Objectives of Value for Money Strategy

What Is Value For Money?

Greater Manchester Fire and Rescue Authority has a statutory duty to deliver Best Value in the provision of its services. Best Value means that we must aim to continually improve the economy, efficiency and effectiveness of its service delivery.

Value for money is the relationship between economy, efficiency and effectiveness (i.e. the value chain).

Economy is the price paid for what goes into providing the service – for example, the cost per square metre of accommodation.

Efficiency is a measure of productivity – how much you get out in relation to what is put in. For example, the number of Home Fire Risk Assessments per Watch per week compared to the target.

Effectiveness is a measure of the impact achieved and can be quantitative or qualitative. For example, satisfaction levels amongst different sections of the community with service delivery (qualitative). The Authority seeks to ensure that outcomes are equitable across communities, so effectiveness measures include aspects of equity, as well as quality. For example, ensuring the prevalence of accidental fires is not higher in poorer areas.

Sustainability is also an increasingly important aspect of effectiveness. Options are assessed for their impact on wider social, environmental and economic factors and how these may interact to achieve sustainable development.

Consideration when assessing value for money is therefore also given to ensuring that sustainability (including environmental, social and economic), ethical and other socially responsible considerations are also taken into account. The Authority in demonstrating value for money seeks to consider the whole life costs of a decision.

Value for money is high when there is an optimum balance between the above relatively low costs, high productivity and successful outcomes.

Vision For Achieving Value For Money

Achieving and demonstrating value for money for the local community of Greater Manchester means that:

- Services are fit for purposes.
- Services are delivered economically, that is from a supplier (internal or external) whose price is competitive for the quality of service delivered.
- Services are delivered efficiently, that is through streamlined processes that link seamlessly with partner organisations where necessary.
- Services are delivered effectively, that is they meet the needs of local people at the right time.
- We release resources from areas that are not a priority so as to fund service improvement without an increase in council tax.

Objectives Of Value For Money Strategy

We recognise our responsibilities as a custodian of public funds to strive for value for money in the delivery of services:

- We seek to achieve and where possible improve value for money in the delivery of services:
- Overall cost and unit costs for the Service demonstrate best value compared to other authorities providing a similar level and standard of service and allowing for the local context.
- Costs are commensurate with service delivery performance and outcomes achieved.
- Costs reflect policy decisions.
- Performance in relation to Value for Money is monitored and reviewed.
- Improved Value for Money and efficiency gains are achieved.

Demonstrating Value for Money, Responsibilities and Culture

- Full long-term costs are taken into account when making procurement and other spending decisions:
- External funding and partnership opportunities are sought in order to support local priorities.
- We seek to target resources towards meeting the needs of local people.
- We will integrate Best Value principles within existing management planning, review and scrutiny processes.
- We will provide services that meet the needs of local people through the most economic, efficient and effective means.
- We will undertake structured reviews of service areas on a targeted basis and to act on review findings to improve future performance and efficiency.
- We will benchmark our performance against that of organisations in the public, private and voluntary sector where appropriate and against industry standard benchmarks.
- We will adopt recognised good practice where this is appropriate for meeting the needs of local people.
- We will promote a culture of continuous improvement.
- We will train and develop managers and help them fulfil their obligations to achieve value for money as an integral part of their work.

Demonstrating Value For Money

Greater Manchester Fire and Rescue Authority has had a robust and integrated approach for value for money for many years. This has included a whole series of arrangements, including devolving budgets to budget holders, comprehensive approach to Best Value, a proven track record on delivering cashable and non cashable efficiency savings, a track record of outsourcing/market testing, an effective Procurement Strategy and major investment in technology to deliver service improvements and efficiencies. The Authority has undertaken a number of benchmarking exercises as follows to allow it to have a better understanding of its costs. We are committed to a mixed economy of service providers because we believe that services should be delivered by the organisation that best meets our local needs and standards. This may be through the Authority providing services directly, or through contracts with the private or 'not for profit' sector or other public bodies. We deliver a variety of services through service agreements with partners. The Authority's strategy includes levering in additional resources through our partnership working approach.

Responsibilities

The responsibility for achieving value for money lies with all Members and staff and is not restricted to those with resource or financial responsibilities. Greater Manchester Fire and Rescue Authority is required to satisfy itself that value for money is being sought and achieved from all areas of the Authority.

Maintaining And Creating A Value For Money Culture

This is achieved by:

- Providing awareness training to staff.
- Communicating and embedding the value for money rationale to staff as to its importance, the achievement of our targets and the benefits that arise from value for money.
- Identifying corporate and/or service specific value for money tasks and projects within departmental service plans.


GREATER MANCHESTER FIRE AND RESCUE SERVICE
WATER RESCUE UNIT

Section Eight

Glossary & Feedback Questionnaire

Glossary

Capping
If Central Government believes that the budget set by an Authority is too high, it may specify a maximum budget level. The Authority is then required to reduce its budget to a level that does not exceed that limit.

CIPFA
The Chartered Institute of Public Finance and Accountancy, the leading professional accountancy body for public services.

Collection Fund
District Authorities are required to keep collection funds into which all council tax and non domestic rates collected are paid, and out of which all precepts and payments into a centrally controlled non-domestic rates pool are made.

Council Tax Base
Every domestic property is banded from A to H according to its value. The council tax base for each Local Authority is the number of eligible properties within its area expressed as Band D equivalents with suitable adjustments made for single person discounts and losses on collection. It is used as a base to set the council tax for each property band in the area. This Authority's council tax base is the sum of the council tax bases of the ten Greater Manchester district councils and is used to set the precept.

National Non-Domestic Rates
Sometimes referred to as the business rate, this is a standard rate in the pound set by central Government for business premises, and collected on its behalf by district councils. The amount collected is paid into a central pool and redistributed to all authorities including this Authority.

Precept – The total amount levied by this Authority on the collection funds of the ten Greater Manchester district councils and collected by them from council tax payers in their areas as part of the total council tax bill.

Prudential Code
A professional code of practice devised by CIPFA, to support local authorities in taking their decisions on capital investments.

Revenue Balances
The cumulative excess of the Authority's annual income over its expenditure.

Revenue Support Grant
An amount of money paid to local authorities by central Government towards the revenue costs of providing services. Revenue Support Grant is a general grant and its use is not restricted to any particular service. Revenue Support Grant is paid directly to the Authority and used to reduce the Authority's precept.

Value for Money Glossary

Economy
Relates to the cost of inputs being consumed. Economy measures can used to indicate whether the right price was paid to acquire the necessary inputs.

Efficiency
Efficiency represents the relationship between inputs and outputs. Efficiency is the ratio of output to input.

Effectiveness
The extent to which outputs achieve the desired outcomes. Effectiveness measures are concerned with the strength of the relationship between a given intervention and outcomes.

Value for Money
The relationship between the resources consumed and the outcomes achieved. Cost effectiveness measures highlight how well the costs of interventions have been translated into desired outcomes. Measures of cost effectiveness can indicate which set of interventions is best able to achieve the desired outcomes at the lowest cost. Ideally, cost effectiveness measures apply full economic costs against a clearly defined outcome.

Inputs
The resources that contribute to the production and delivery of an output. Inputs commonly include things such as labour, physical resources, administrative services and IT systems.

Outcomes
Outcomes are the impacts on or consequences for the community, of the activities of the Government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for government interventions. Improving the health status of the population is an example of an outcome.

Outputs
Outputs are the goods and services produced by the organisation. Outputs are delivered to an external party (usually to the public either individually or collectively) and comprise the majority of day-to-day interaction between people and government. Outputs include things such as issuing licenses, investigations, assessing applications for benefits and providing policy advice.

Feedback Questionnaire

Here at the Greater Manchester Fire and Rescue Authority, we value your input and views. Having read our 2010/11 Financial Strategy we would be extremely grateful if you could spare a few moments to complete and return our Feedback Questionnaire.

Your views would be valuable in assisting us to improve the content, language and format used in the 2011/12 Financial Strategy.

Please tick the appropriate box and place any comments in the space provided below.

1. Did you find the Financial Strategy easy to read? Yes ☐ No ☐

   If No, please state why:

2. Did you find the information contained within the Financial Statement easy to understand? Yes ☐ No ☐

   If No, please state why:

3. Did you find that the budget figures and data were presented in a clear and easy to understand format? Yes ☐ No ☐

   If No, please state why:

4. Did you find the information on the different service areas added value to the financial information? Yes ☐ No ☐

   If No, please state why:

Please turn over the page

TEAR OFF ALONG PERFORATION

5. Did you find the Performance Indicators and statistics useful and easy to understand? Yes ☐ No ☐

If No, please state why:

6. Has the Financial Strategy been of value in helping you to understand the Fire Authority's finances, budget process and service priorities? Yes ☐ No ☐

If No, please state why:

7. Do you think there is anything that should be added to the Financial Strategy? Yes ☐ No ☐

If No, please state why:

8. Please state below any further comments or suggested improvements you may have regarding the Financial Strategy.

9. Which of the following best describes you?

An employee or elected member of the Authority ☐
A member of the public ☐
A member of another organisation/interested party ☐

Thank you for taking the time to complete this questionnaire

Please return the completed feedback questionnaire to:

Andrew Green, Wigan Council, Business Support Services – Corporate Accountancy, Civic Centre, Millgate, Wigan, WN1 1DD

If having read this document, you have any questions or have a requirement for training on financial matters, please contact the Accountancy Group at Greater Manchester Fire Service Headquarters on 0161 608 4122.

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Appendix 1

Corporate Plan- Development Goals

Appendix 1

Corporate Plan- Development Goals

Corporate Development Goals	Strategic Aims						Timeframe for delivery
	Prevention	Protection	Response	Public Value	People	Principles	
1. Produce agree and implement a range of strategies to inform and educate people in how to reduce their risk from fires and other emergencies and to improve the quality of life outcomes for our communities.	✓			✓		✓	Year 1 to 3
2. Produce, agree and implement a range of strategies to regulate the built environment so as to protect people, reduce property damage and economic loss and preserve our heritage		✓		✓		✓	Year 1 to 3
3. Complete the restructure of Prevention and Protection services commenced in 2011 to create efficiencies and improve service delivery.	✓	✓		✓			Year 1
4. Implement our new partnership strategy to ensure we work effectively with partners and deliver public value.	✓	✓	✓	✓		✓	Year 1 to 2
5. Deploy a new comprehensive risk model to determine risk levels and proportionate response times for each of our fire stations.			✓	✓			Year 1
6. Scope the introduction of special rescue stations to focus our expertise and pursue excellence in service delivery, then make recommendations and implement as required.			✓	✓			Year 1 to 3
7. Review the current arrangements for urban search and rescue and their relationship with international search and rescue capabilities, recommend improvements and implement as required.			✓	✓		✓	Year 1 to 3
8. Review the fleet of special appliances, make recommendations for improvements and implement as required.			✓	✓			Year 1 to 3
9. Revise the current rostering for duty arrangements to reduce the numbers of staff needed to operate the system and create significant efficiencies.			✓	✓	✓		Year 1 to 2
10. Introduce pumping appliances more suited to dealing with smaller fires.			✓	✓			Year 1 to 3
11. Vary crewing arrangements on fire stations to ensure they are fit for purpose and meet the risk and demand levels identified in each area.			✓	✓	✓		Year 1 to 3
12. Review our arrangements for incident command, make recommendations and implement as required.			✓	✓	✓		Year 1 to 3
13. Refurbish or build fire stations in accordance with the Fire and Rescue Authority's Asset Management Plan to meet the needs of our Risk Model and effective service delivery.	✓	✓	✓	✓		✓	Year 1 to 3

Corporate Development Goals	Strategic Aims						Timeframe for delivery
	Prevention	Protection	Response	Public Value	People	Principles	
14. Implement our people and organisational development strategy to ensure we work with people with the right skills and attitude to deliver high-quality, value for money services in a positive environment for everyone.				✓	✓	✓	Year 1 to 3
15. Provide a new technical solution for the delivery of our control (999) service prioritising opportunities for regional collaboration in the interests of public value.			✓	✓	✓	✓	Year 1 to 3
16. Implement the changes from the management and back office reviews as part of reducing costs for 2011/12 and beyond.				✓	✓		Year 1
17. Conduct further reviews into back office functions in order to create further efficiencies and preserve front line services.				✓	✓	✓	Year 1 to 2
18. Identify opportunities for commissioning and/or sharing services with other public (in particular the Association of Greater Manchester Authorities), private and third sector organisations, make recommendations and implement as required.				✓		✓	Year 1 to 2
19. Continue to implement our Sustainability Strategy, investing in green technology and behaviour change programmes to reduce our direct and indirect impact upon the environment.				✓		✓	Year 1 to 3
20. Provide new training facilities to improve real fire training for our firefighters.				✓	✓		Year 1 to 2
21. Complete a further review of the senior management of the organisation, make recommendations and implement as required.				✓	✓	✓	Year 1
22. Develop and implement a Corporate Communications Strategy to support our aims and maximise opportunities for income generation.	✓	✓	✓	✓	✓	✓	Year 1

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FIRE AND RESCUE AUTHORITY

Designed and produced by the Corporate Communications Department, Greater Manchester Fire and Rescue Service