

**DEVON & SOMERSET FIRE & RESCUE AUTHORITY**  
(Budget Meeting)

18 February 2013

Present:-

Councillors Healey (Chair), Bakewell MBE, Bown, Brooksbank, Burrige-Clayton, Mrs. Chugg, Dyke, Eastman, Foggin, Fry, Gordon, Gribble, Horsfall, Hughes OBE, Knight, Leaves, Mills, Radford, Randall Johnson, D Smith, J Smith, Way, Woodman and Yeomans.

**DSFRA/49. Sam Sharman**

The Authority asked to have placed on record their best wishes to Sam for a speedy recovery following her recent illness.

**DSFRA/50. Minutes**

**RESOLVED** that the Minutes of the meeting held on 19 December 2012 and the Extraordinary Meeting held on 18 January 2013 be signed as correct records.

**DSFRA/51. Addresses by Fire Brigades Union**

In accordance with Standing Orders, the Authority received an address from a representative of the Fire Brigades Union on the budget setting matters to be determined by the Authority as part of this meeting and advocating the Authority to approve the recommendation of the Resources Committee (budget) meeting held on 4 February 2013 to approve a 1.99% increase in the level of Council Tax for the forthcoming financial year.

**(SEE ALSO MINUTES DSFRA/52(d) AND DSFRA/53(c) BELOW)**

**DSFRA/52. Minutes of Committees**

**(a) Human Resources Management & Development Committee**

The Chair of the Committee, Councillor Mrs. Bown, **MOVED** the Minutes of the meeting held on 11 January 2013 which had considered, amongst other things:

- a presentation on fitness testing for the Devon & Somerset Fire & Rescue Service;
- a presentation on sickness management for the Service; and
- a verbal briefing on pensions liabilities related to the Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000.

**RESOLVED** that, in accordance with Standing Orders, the Minutes be adopted.

**(b) Commercial Services Committee**

The Vice-Chair of the Committee, Councillor Dyke, **MOVED** the Minutes of the meeting held on 11 January 2013 which had considered, amongst other things:

- a commercial services budget monitoring report to the third quarter of the current (2012-13) financial year;
- a report on financial arrangements for commercial activities; and

- an update on commercial matters including current commercial leads and opportunities.

**RESOLVED**

- (i) that the recommendation at Minute CSC/29 (Financial Arrangements for Commercial Activities) be considered in conjunction with Minute DSFRA/59 below;
- (ii) that, subject to (a) above and in accordance with Standing Orders, the Minutes be adopted.

**(SEE ALSO MINUTES DSFRA/53(b) AND DSFRA/59 BELOW).**

**(c) Audit & Performance Review Committee**

In the absence of the Committee Chair at this point of the meeting, Councillor Mills **MOVED** the Minutes of the meeting held on 31 January 2013 which had considered, amongst other things:

- a letter and verbal briefing from Grant Thornton on the proposed external workplan for the financial year to end on 31 March 2013;
- a report on progress as at the third quarter of the current (2012-13) financial year against the approved internal audit plan; and
- a report on performance by the Service between April to December 2012 against those measures contained within the approved Corporate Plan.

**RESOLVED** that, in accordance with Standing Orders, the Minutes be adopted.

**(d) Resources Committee**

The Chair of the Committee, Councillor Gordon, **MOVED** the Minutes of the meeting held on 4 February 2013 which had considered, amongst other things:

- a report on financial performance to the third quarter of the current (2012-13) financial year against approved targets and measures;
- a report on Treasury Management performance to the third quarter of the current financial year against the Authority's approved Treasury Management Strategy for that year;
- a report on the draft Capital Programme 2013-14 to 2015-16; and
- a report on the proposed 2013-14 revenue budget and associated council tax levels.

**RESOLVED**

- (i) that the following virement, as recommended at Minute RC/14 (Financial Performance Report 2012-12: Quarter 3) be approved;

Budget Line	From £m	To £m
Premises Related Costs – repair and maintenance	(0.490)	
Revenue contribution to capital spending		0.490

- (ii) that the recommendations at Minutes RC/16 and RC/17 (Draft Capital Programme 2013-14 to 2015-16 and 2013-14 Revenue Budget and Council Tax Levels respectively) be considered in conjunction with Minutes DSFRA/53(a) to (c) below;
- (iii) that, subject to (i) and (ii) above, the Minutes be adopted in accordance with Standing Orders.

***(SEE ALSO MINUTE DSFRA/51 ABOVE AND DSFRA/53(a) to (c) BELOW).***

**(e) Community Safety & Corporate Planning Committee**

The Chair of the Committee, Councillor Leaves, **MOVED** the Minutes of the meeting held on 6 February 2013 attached which had considered, amongst other things:

- an announcement of receipt by the Service of a further national award in relation to use of data to seek to reduce the incidence of road traffic casualties;
- a report and presentation on the production by Plymouth People First (a self-advocacy organisation for adults with a learning disability), in partnership with the Service, of a fire safety DVD;
- a report and presentation on the Service specialist rescue capability;
- a presentation on activities by the Service to promote the installation of domestic sprinklers;
- a presentation on the Service initiative in partnership with Job Centre Plus; and
- a presentation on Service activities undertaken during the winter and proposed for Spring 2013 relating to the promotion of community and fire safety.

**RESOLVED** that, in accordance with Standing Orders, the Minutes be adopted.

**DSFRA/53.**

**Revenue and Capital Budgets 2013-14**

**(a) Capital Programme 2013-14 to 2015-16**

The Authority considered a report of the Chief Fire Officer and Treasurer (DSFRA/13/2) on a proposed Capital Programme for the Authority for 2013-14 to 2015-16. The report identified the difficulties in meeting the full capital expenditure requirement for the Authority, a position exacerbated by a 30% reduction in central government grant for capital funding in 2013-14 (to £1.4m) and the failure of the Authority bid to central government (as part of its revised capital funding mechanism) for £4.760m to support the introduction of Light Rescue Pumps throughout the Devon & Somerset Fire & Rescue Service (the Service).

The proposed programme, separated between Estates work and Operational Assets, had been constructed on the basis of keeping the debt ratio within the 5% limit (approved by the Authority as an "in principle" decision in 2008) at least until 2015/16 and potentially beyond. Previous capital programmes had seen a priority given to estates work over fleet replacement. The programme now proposed a twelve-month moratorium on major new estates work during which time a comprehensive review of the Service's property portfolio would be undertaken which would include an assessment of professional and commercial opportunities that may exist to be developed into the medium to longer term plan.

Revenue funding for essential maintenance work would be retained, however, and it was proposed that slippage from the previous year would be used to complete projects already committed including the Service's Carbon Management Programme, essential work to Hartland fire station and the shared use of Axminster fire station with the Devon & Cornwall Constabulary. Work would also be progressed on development of the new Training Academy facility at Exeter Airport (including reinstatement of the previously deleted features of an additional appliance bay for all training vehicles, a training tower and confined space training facility – all of which should enhance the commercial potential for the project) and to complete Phase 2 of improvements to the Service Headquarters Fire Control building for which funding was available both from the Authority's 2012-13 revenue budget and from central government funding made available following cancellation of the Regional Control Centre (RCC) project.

For Operational Assets, the proposed programme focussed on the introduction of Light Rescue Pumps which played a key part in the modernisation proposals contained within the draft Corporate Plan currently subject to consultation. Funding would also be used to complete specialist vehicle replacement commenced in the current financial year and aligned to the Service Tiered Approach initiative. Initial proposals for harmonisation of breathing apparatus (BA) would be "slipped" to 2014/15, partly as a result of financial constraints but also to provide greater time for "4G" technological advancements supporting use of telemetry to mature.

The report indicated that the focus on the introduction of Light Rescue Pumps against a backdrop of a reducing revenue budget meant that, whilst the proposed programme would remain within the 5% debt ratio to 2015-16, there was a risk that this ratio could be breached from 2016-17 onwards. In light of this, the report also exemplified an indicative programme for 2016-17 to 2018-19. It was hoped, however, that income from commercial trading activities would help to mitigate this. The Treasurer commented that, by 2015-16, the 5% debt ratio would have been maintained for some seven years since the Authority's "in principle" decision in 2008 – in itself a considerable achievement - and that, even were the ratio to be breached, the extent of the breach would not be significant given the size of the Authority's capital investment needs. The Authority would, however, need to continue to ensure that debt charges committed to the revenue budget from capital investment decisions were affordable against a shrinking revenue budget over the next six years.

The draft Capital Programme as set out in the report had been considered initially by the Capital Programme Working Party at a meeting on 21 January 2013 and by the Resources Committee at its meeting on 4 February 2013, both of which – whilst acknowledging the implications for the 5% debt ratio - had nonetheless commended the draft Programme for approval.

**RESOLVED** that, as recommended by the Resources Committee:

- (i) the potential impact of the proposed Capital Programme, from 2016-17 onwards, on the 5% debt ratio Prudential Indicator as indicated in report DSFRA/13/2 be acknowledged;
- (ii) that, nonetheless, the draft Capital Programme 2013-14 to 2015-16 as detailed in the report and summarised at Appendix A to these Minutes be approved;
- (iii) that the indicative Capital Programme 2016-17 to 2018-19, again as summarised in Appendix A to these Minutes, be approved in principle.

***(SEE ALSO MINUTE DSFRA/52(d) ABOVE AND DSFRA/53(b) BELOW).***

**(b) Treasury Management Strategy (Including Prudential and Treasury Indicator Reports 2013-14 to 2015-16)**

The Authority considered a report of the Treasurer (DSFRA/13/3) setting out, amongst other things:

- a treasury management and investment strategy for 2013-14, with associated indicators;
- Prudential Indicators associated with the proposed Capital Programme 2013-14 to 2015-16; and
- a Minimum Revenue Provision Statement for 2013-14.

The Authority was required by law to set a balanced budget. The Local Government Act 2003 and supporting regulations, specifically, required the Authority to establish its treasury strategy for borrowing and its policies for managing its investments, giving priority to the security and liquidity of those investments, and having regard to the Chartered Institute for Public Finance Accountancy (CIPFA) Code of Practice on Treasury Management.

The Strategy as presented was compliant with the latest iteration of the CIPFA Code. Additionally, the report identified a proposed revision to the Authority's Financial Regulations in relation to extending loan facilities to companies in which it has an interest.

**RESOLVED**

- (i) that the Treasury Management Strategy and the Annual Investment Strategy as set out in report DSFRA/13/3 be approved;
- (ii) that the prudential indicators and limits, as set out in the report and summarised at Appendix B to these Minutes, be approved
- (iii) that the Minimum Revenue Provision (MRP) statement for 2013/2014, as set out in the report and reproduced at Appendix C to these Minutes, be approved;
- (iv) that the Treasurer be delegated authority to effect movements between the separately agreed prudential limits for borrowing;
- (v) that the Authority's Financial Regulations be amended as indicated in paragraph 7.21 and Appendix C to the report in relation to treasury management and specifically to the granting of loans to organisations in which the Authority has an interest;
- (vi) that the statement at paragraph 4.4 of the report that borrowing limits and the debt management strategy have been set to ensure that in the medium term the gross borrowing will return to below the capital financing requirement for 2012/2013 to 2015/2016, in line with the requirements of the CIPFA Prudential Code, be noted.

***(SEE ALSO MINUTES DSFRA/52(b), DSFRA/52(d) AND DSFRA/53(a) ABOVE AND DSFRA/59 BELOW).***

**(c) 2013-14 Revenue Budget and Council Tax Levels**

The Authority considered a report of the Treasurer and Chief Fire Officer (DSFRA/13/4) on options for the Authority revenue budget and associated council tax level in 2013-14. It was a legislative requirement for the Authority to set a balanced budget and determine an associated council tax level prior to 1 March each year.

The report set out the background of 2010 Comprehensive Spending Review (CSR) reductions in government grants of 25% by 2014-15, which for fire and rescue services had been backloaded to 2013-14 and 2014-15 to allow time to implement change without affecting the quality and breadth of service to local communities.

In December 2012 the government had announced the provisional local government finance settlement for 2013-14 and 2014-15. For this Authority, this would mean a reduction in funding of -10.3% in 2013-14 and a further -7.3% in 2014-15, or -17.6% (-£5.5m) over the two year period. Appended to the report was a copy of the letter sent to the government by the Treasurer, on behalf of the Authority, expressing disappointment at this draft settlement. While it was unlikely these representations would change the draft settlement for the next two financial years, it was hoped they could have a bearing on future settlements.

Linked to the draft local government finance settlement, the report also identified the “principles” agreed by the government under the provisions of the Localism Act 2011 and relating to increases in council tax. For 2013-14, the government had indicated that the requirement to hold a public referendum would be triggered by any council tax increase in excess of 2%. The costs of such a referendum for this Authority had, however, been estimated as in excess of £2.3m. Consequently, the report did not propose a council tax increase in excess of 2%.

The report identified the net revenue budget requirement for the Authority and funding sources for the budget which, in addition to the “formula funding” from central government and council tax, now featured – under new funding arrangements – Share of Local Business Rates and Council Tax Support Grant. The core budget requirement and proposed “invest to save” initiatives were identified as were indicative budget savings in the sum of £1.573m, achieved largely as a result of positive action by budget managers.

The report identified the following three options in relation to level of council tax for 2013-14:

- Option A: Accept the government Council Tax Reward Grant (£0.459m) and freeze council tax at the 2012-13 level (£73.92 for a Band D property). This option would, however, result in a further base budget reduction from 2015/16 onwards, with the removal of the Council Tax Reward Grant;
- Option B: Increase Council Tax by 1% above the 2012-13 level (to £74.66 for a Band D Property);
- Option C: Increase Council Tax by 1.99% above the 2012-13 level (to £75.39 for a Band D Property).

The report also indicated the outcome of consultations on the level of increase in council tax. The Authority was required to consult the business community but had determined to extend this to the public. Of those responding to the consultation, 53% of businesses and 50% of the public agreed that it was reasonable for the Authority to consider increasing the level of council tax. Of those that did agree, 69% of the public and 65% of business also responded in favour of a 2% increase.

An earlier iteration of the report had been considered by the Resources Committee budget meeting on 4 February 2013 which had resolved (Minute RC/17 refers):

“that, so as to safeguard the base budget of the Authority as far as practicable going forward and to facilitate delivery of those options contained in the draft Corporate Plan, the Authority be recommended to approve for 2013-14 an increase in council tax of 1.99% above the 2012-13 level (to £75.39 for a Band D property)”.

Following a debate on the issues raised in the report, Councillor Randall Johnson **MOVED**, with Councillor Hughes OBE seconding:

- “(a) that Option A as set out in report DSFRA/13/4 be adopted, with the government Council Tax Freeze Grant for 2013-14 accepted and the level of council tax for 2013-14 frozen at the 2012-13 level (£73.62 for a Band D property);
- (b) that, accordingly, a Net Revenue Budget Requirement of £76,434,600 be set for 2013-14;
- (c) that as a consequence of (a) and (b) above:
  - (i) the tax base for payment purposes and the precept required from each billing authority for payment of a total precept of £40,649,944 be approved;
  - (ii) the council tax for each property bands A to H associated with a total precept of £40,649,944 be approved; and
  - (iii) that the Treasurer’s ‘Statement of the Robustness of the Budget Estimates and the Adequacy of the Authority Reserve Balances’ as included as Appendix C to report DSFRA/13/4, be noted.”

Councillor Mills moved, with Councillor Yeomans seconding, that the above Motion be **AMENDED** as follows:

- by deletion, in (a), of the words “Option A” and insertion of the words “Option C” and deletion of the words “with the government Council Tax Freeze Grant for 2013-14 accepted with the level of council tax for 2013-14 frozen at the 2012-13 level” and insertion of the words “with the level of council tax for 2013-14 being set at £75.39 for a Band D property, representing a 1.99% increase over 2012-13”;
- deletion, in (b), of the figure “£76,434,600” and insertion of the figure “£76,783,500”;
- deletion, in (c) (i) and (ii), of the figure “£40,649,944” and insertion of the figure “£41,458,324”.

The **AMENDMENT** was put to the vote and declared **CARRIED** by fifteen votes for to nine against.

The Substantive Motion (as amended) was then put to the vote whereupon it was, by fifteen votes for to eight against (with one abstention)

#### **RESOLVED**

- (i) that Option C as set out in report DSFRA/13/4 be adopted, with the level of council tax for 2013-14 being set at £75.39 for a Band D property, representing a 1.99% increase over 2012-13;
- (ii) that, accordingly, a Net Revenue Budget Requirement of £76,783,500 be set for 2013-14;
- (iii) that as a consequence of (i) and (ii) above:
  - (A) the tax base for payment purposes and the precept required from each billing authority for payment of a total precept of £41,458,324 [as detailed on Page 2 of the Budget Booklet circulated separately with the agenda for the meeting and summarised below] be approved;

Billing Authority	Tax Base used for collection £ p	Surplus/ (Deficit) for 2012-13 £	Precepts Due 2013-14 £	Total Due 2013-14 £
East Devon	52,962.00	34,861	3,992,805	4,027,666
Exeter	33,820.00	-	2,549,690	2,549,690
Mendip	36,498.34	31,583	2,751,610	2,783,193
Mid Devon	26,153.80	43,408	1,971,735	2,015,143
North Devon	30,839.54	(5,314)	2,324,993	2,319,679
Plymouth City	66,958.00	10,850	5,047,965	5,058,815
Sedgemoor	36,224.20	89,214	2,730,942	2,820,156
South Hams	35,434.09	13,000	2,671,376	2,684,376
South Somerset	54,870.55	3,018	4,136,690	4,139,708
Taunton Deane	37,280.60	11,260	2,810,584	2,821,844
Teignbridge	43,848.00	(14,333)	3,305,701	3,291,368
Torbay	41,586.58	107,000	3,135,212	3,242,212
Torridge	21,659.79	10,506	1,632,932	1,643,438
West Devon	18,920.79	22,654	1,426,438	1,449,092
West Somerset	12,861.80	5,865	969,651	975,516
	<b>549,918.08</b>	<b>363,572</b>	<b>41,458,324</b>	<b>41,821,896</b>

- (B) the council tax for each property bands A to H associated with a total precept of £41,458,324 [as detailed on Page 2 of the Budget Booklet circulated separately with the agenda for the meeting and summarised below] be approved;

Valuation Band	Government Multiplier		Council Tax £ p
	Ratio	%	
A	6/9	0.667	50.26
B	7/9	0.778	58.64
C	8/9	0.889	67.01
<b>D</b>	<b>1</b>	<b>1.000</b>	<b>75.39</b>
E	11/9	1.222	92.14
F	13/9	1.444	108.90
G	15/9	1.667	125.65
H	18/9	2.000	150.78

- (c) that the Treasurer's 'Statement of the Robustness of the Budget Estimates and the Adequacy of the Authority Reserve Balances' as included as Appendix C to report DSFRA/13/4, be noted.

**(SEE ALSO MINUTE DSFRA/52(d) ABOVE AND DSFRA/55 BELOW).**

**DSFRA/54. Localism Act - Pay Policy Statement 2013-14**

The Authority considered a report of the Director of Corporate Services (and Clerk to the Authority) (DSFRA/13/5) to which was appended a proposed Pay Policy Statement for 2013-14 as required by the Localism Act 2011. The Statement set out the Authority's policy on a range of issues relating to the pay of its workforce and in particular senior staff and the lowest paid employees. In particular, it was noted that there had been no increase in Chief Fire Officer pay at either a local or national level since January 2009.



**RESOLVED** that the Pay Policy Statement for 2013-14 as appended to report DSFRA/13/5 be approved and published in accordance with the Localism Act 2011.

**DSFRA/55. Confirmation of Scheme of Members Allowances 2013-14**

The Authority considered a report of the Clerk to the Authority (DSFRA/13/6) on the Scheme of Members Allowances to apply for 2013-14. The relevant regulations required the Authority to consider and approve its Scheme for each year and to arrange for details of the Scheme to be published as soon as reasonably practicable after approval.

The report outlined that the Scheme had been subject to major review in 2012 which had established levels for Basic and Special Responsibility Allowance, rates for the reimbursement of travel and subsistence expenditure and a mechanism for the automatic annual uprating of each of these. Provision has accordingly been made for this in the Authority's revenue budget for 2013-14.

**RESOLVED** that the Scheme of Members Allowances to apply for 2013-14 be as approved for 2012-13 and that, in accordance with the relevant Regulations, the Clerk be authorised to publish details of the Scheme so approved.

***(SEE ALSO MINUTE DSFRA/53(c) ABOVE).***

**DSFRA/56. Chairman's Announcements**

The Authority received for information a schedule, as circulated at the meeting, of events attended by the Chairman on behalf of the Authority since its last ordinary meeting in December 2012.

**DSFRA/57. Chief Fire Officer's Announcements**

The Chief Fire Officer reported on:

- a fatal fire that had occurred since the last Authority meeting. The Service continued, through a variety of methods such as Fatal Fire Reviews and seeking closer partnership working with agencies such as Health and Wellbeing Boards, to seek to exercise all endeavours to drive down fire deaths and promote public safety;
- the recent visit by Sir Ken Knight to the Service as part of the national fire and rescue service operational efficiency review. In addition to highlighting the considerable achievements the Service had made in recent years to deliver sustainable efficiencies, the opportunity had been taken to stress the difficulties faced by largely retained fire and rescue services such as Devon & Somerset to secure further efficiencies without significant detriment to front-line services.

**DSFRA/58. Exclusion of the Press and Public**

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972 the press and public were excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A (as amended) to the Act, namely information relating to the financial and business affairs of the Authority and other companies.

**DSFRA/59. Financial Arrangements For Commercial Activities**

(An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public were excluded from the meeting).

The Authority considered a report of the Treasurer (DSFRA/13/7) on proposed changes to the financial arrangements associated with commercial activities and particularly addressing proposals for the making of a loan facility for Red One Ltd. and for the use of any profits generated by commercial activities.

**RESOLVED**

- (a) that the making of a loan facility by the Authority to Red One Ltd. up to the amount indicated in report DSFRA/13/7 be approved;
- (b) that the ring-fencing of future profits from commercial activities (over and above the amount as contained in the revenue base budget) to fund future capital projects, thereby reducing debt charges, be approved.

***(SEE ALSO MINUTES DSFRA/52(b)(i) AND DSFRA/53(b) ABOVE).***

The meeting started at 10.00hours and finished at 11.45hours

**APPENDIX A TO THE MINUTES OF THE BUDGET MEETING OF THE DEVON & SOMERSET  
FIRE & RESCUE AUTHORITY HELD ON 18 FEBRUARY 2013**

Capital Programme (2013/14 to 2017/18)			PROPOSED PROGRAMME 2013-14 TO 2015-16			INDICATIVE PROGRAMME 2016-17 TO 2018-19		
2012/2013 Revised Programme (£000)	2012/2013 Predicted outturn (£000)	Item PROJECT	2013/14 (£000)	2014/15 (£000)	2015/16 (£000)	2016/17 (£000)	2017/18 (£000)	2018/19 (£000)
		<b>Estate Development</b>						
92	77	SHQ major building works	15					
3,284	2,184	Major Projects - Training Facility at Exeter Airport	1,100					
		Minor improvements & structural maintenance	300	2,050	1,750	1,750	1,750	1,750
15	15	Welfare Facilities						
105	105	USAR works						
343	343	Minor Works slippage from 2010-11						
1,674	1,063	Minor Works slippage from 2011-12	566					
2,140	530	Minor Works slippage from 2012-13	530					
52	52	STC ship structure						
<b>7,705</b>	<b>4,369</b>	<b>Estates Sub Total</b>	<b>2,511</b>	<b>2,050</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>
		<b>Fleet &amp; Equipment</b>						
		Appliance replacement	1,015	2,480	3,125	2,480	2,480	1,395
		Specialist Operational Vehicles				400	400	
177	177	Vehicles funded from revenue						
242	91	Equipment	451	1,184	300	300	300	200
889	648	Appliance & Specialist Operational Vehicle slippage 2011-12						
1,620	599	Appliance & Specialist Operational Vehicle slippage 2012-13	1,021					
<b>2,928</b>	<b>1,515</b>	<b>Fleet &amp; Equipment Sub Total</b>	<b>2,487</b>	<b>3,664</b>	<b>3,425</b>	<b>3,180</b>	<b>3,180</b>	<b>1,595</b>
<b>10,633</b>	<b>5,884</b>	<b>SPENDING TOTALS</b>	<b>4,998</b>	<b>5,714</b>	<b>5,175</b>	<b>4,930</b>	<b>4,930</b>	<b>3,345</b>
		<b>Programme funding</b>						
4,179	2,670	Main programme	360	4,316	5,175	4,930	4,930	3,345
4,433	1,193	Revenue funds	3,240					
2,021	2,021	Grants	1,398	1,398				
<b>10,633</b>	<b>5,884</b>	<b>FUNDING TOTALS</b>	<b>4,998</b>	<b>5,714</b>	<b>5,175</b>	<b>4,930</b>	<b>4,930</b>	<b>3,345</b>

**APPENDIX B TO THE MINUTES OF THE BUDGET MEETING OF THE DEVON & SOMERSET  
FIRE & RESCUE AUTHORITY HELD ON 18 FEBRUARY 2013**

<b>PRUDENTIAL INDICATORS</b>	<b>INDICATIVE INDICATORS 2016/17 TO 2018/19</b>					
	2013/14 £m estimate	2014/15 £m estimate	2015/16 £m estimate	2016/17 £m estimate	2017/18 £m estimate	2018/19 £m estimate
<b>Capital Expenditure</b>						
Non - HRA	4.998	5.714	5.175	4.930	4.930	3.345
HRA (applies only to housing authorities)						
<b>Total</b>	<b>4.998</b>	<b>5.714</b>	<b>5.175</b>	<b>4.930</b>	<b>4.930</b>	<b>3.345</b>
<b>Ratio of financing costs to net revenue stream</b>						
Non - HRA	3.89%	3.83%	4.42%	5.08%	5.64%	6.17%
HRA (applies only to housing authorities)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Capital Financing Requirement as at 31 March</b>	£000	£000	£000	£000	£000	£000
Non - HRA	25,312	27,791	30,858	33,379	35,651	36,070
HRA (applies only to housing authorities)	0	0	0	0	0	0
Other long term liabilities	1,532	1,509	1,443	1,374	1,299	1,209
<b>Total</b>	<b>26,844</b>	<b>29,300</b>	<b>32,301</b>	<b>34,753</b>	<b>36,950</b>	<b>37,279</b>
<b>Annual change in Capital Financing Requirement</b>	£000	£000	£000	£000	£000	£000
Non - HRA	-1,615	2,456	3,001	2,450	2,195	327
HRA (applies only to housing authorities)	0	0	0	0	0	0
<b>Total</b>	<b>-1,615</b>	<b>2,456</b>	<b>3,001</b>	<b>2,450</b>	<b>2,195</b>	<b>327</b>
<b>Incremental impact of capital investment decisions</b>	£ p	£ p	£ p	£ p	£ p	£ p
Increase/(decrease) in council tax (band D) per annum	-£0.33	-£1.25	-£1.04	N/A	N/A	N/A
<b>PRUDENTIAL INDICATORS - TREASURY MANAGEMENT</b>						
<b>Authorised Limit for external debt</b>	£000	£000	£000	£000	£000	£000
Borrowing	32,123	34,769	37,194	37,739	38,803	39,610
Other long term liabilities	1,520	1,449	1,371	1,278	1,177	1,070
<b>Total</b>	<b>33,643</b>	<b>36,218</b>	<b>38,565</b>	<b>39,017</b>	<b>39,980</b>	<b>40,680</b>
<b>Operational Boundary for external debt</b>	£000	£000	£000	£000	£000	£000
Borrowing	30,858	33,379	35,651	36,070	37,020	37,806
Other long term liabilities	1,443	1,374	1,299	1,209	1,112	1,010
<b>Total</b>	<b>32,301</b>	<b>34,753</b>	<b>36,950</b>	<b>37,279</b>	<b>38,132</b>	<b>38,816</b>

<b>TREASURY MANAGEMENT INDICATOR</b>	Upper Limit %	Lower Limit %
Limits on borrowing at fixed interest rates	100%	70%
Limits on borrowing at variable interest rates	30%	0%
Maturity structure of fixed rate borrowing during 2013/14		
Under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	50%

**APPENDIX C TO THE MINUTES OF THE BUDGET MEETING OF THE DEVON & SOMERSET  
FIRE & RESCUE AUTHORITY HELD ON 18 FEBRUARY 2013**

**MINIMUM REVENUE STATEMENT (MRP) 2013/14**

***Supported Borrowing***

The MRP will be calculated using the regulatory method (option 1). MRP will therefore be calculated using the formulae in the old regulations, since future entitlement to RSG in support of this borrowing will continue to be calculated on this basis.

***Un-Supported Borrowing (including un-supported borrowing prior to 1 April 2008)***

The MRP in respect of unsupported borrowing under the prudential system will be calculated using the asset life method (option 3). The MRP will therefore be calculated to repay the borrowing in equal annual instalments over the life of the class of assets which it is funding. The repayment period of all such borrowing will be calculated when it takes place and will be based on the finite life of the class of asset at that time and will not be changed.

***Finance Lease and PFI***

In the case of Finance Leases and on balance sheet PFI schemes, the MRP requirement is regarded as met by a charge equal to the element of the annual charge that goes to write down the balance sheet liability. Where a lease of PFI scheme is brought, having previously been accounted for off-balance sheet, the MRP requirement is regarded as having been met by the inclusion of the charge, for the year in which the restatement occurs, of an amount equal to the write-down for the year plus retrospective writing down of the balance sheet liability that arises from the restatement. This approach produces an MRP charge that is comparable to that of the Option 3 approach in that it will run over the life of the lease or PFI scheme and will have a profile similar to that of the annuity method.

MRP will normally commence in the financial year following the one in which the expenditure was incurred. However, when borrowing to construct an asset, the authority may treat the asset life as commencing in the year in which the asset first becomes operational. It may accordingly postpone the beginning to make MRP until that year. Investment properties will be regarded as becoming operational when they begin to generate revenues.