



Leicester
City Council

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
CABINET

27 JANUARY 2003

BUDGET 2003/04 - COMBINED FIRE AUTHORITY

Report of the Chief Finance Officer

1. Introduction and Summary

- 1.1 The Combined Fire Authority is currently in the process of setting its budget for 2003/04. Currently the proposed budget only includes a 4% provision for the cost of the fire fighters' pay award.
- 1.2 The Fire Authority is meeting again to set its budget on 5 February, and may revise its assumptions if this is appropriate in the light of the current progress on negotiations.
- 1.3 Given that the fire fighters' pay dispute may very well be unresolved by the time the budget is finalised, there is clearly a danger that actual costs could exceed the provision made. The Combined Fire Authority has written to constituent authorities seeking a commitment that they will make a further contribution if the outcome of the fire dispute cannot be contained within the 2003/04 budget.

2. Recommendations

- 2.1 The Cabinet is asked to agree that, when it recommends a budget to the Council in March, it will include a commitment to make a further contribution if the outcome of the fire dispute cannot be contained within the Fire Authority's budget.
- 2.2 The Cabinet is asked to advise the Fire Authority that it would wish strenuous efforts to be made to contain the cost of any pay increase in excess of budgetary provision, and to maximise savings arising from any service modernisation agreed as part of the pay settlement.

3. Financial Implications

- 3.1 The Combined Fire Authority is a levying body, the costs of which are met from the constituent authorities (the City, the County and Rutland). The City's share of costs is 25%.

3.2 Each additional 1% pay rise awarded to fire fighters would cost the City £16,000 in the year in which it is awarded, and £38,000 in a full year.

4. Legal Implications

4.1 The Combined Fire Authority has asked for a commitment to contribute to any budget overspend arising from a higher than envisaged pay award. Subject to acting reasonably, as a levying body, the Fire Authority is entitled to demand such contributions. However, the Fire Authority has drawn our attention to the matter in advance, which is welcomed, and the recommendation can be supported.

Mark Noble
Chief Finance Officer
10 January 2003

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)