



BEDFORDSHIRE AND LUTON COMBINED FIRE AUTHORITY

REPORT OF THE BEDFORDSHIRE AND LUTON COMBINED FIRE AUTHORITY TO LUTON BOROUGH COUNCIL AT ITS MEETING ON 20 APRIL 2004

1. MEETING

In accordance with section 100B 4(a) of the Local Government Act 1972, an extraordinary meeting of the Bedfordshire and Luton Combined Fire Authority was held on Friday 27 February 2004 at County Hall, Bedford to reconsider the Revenue Budget, Budget Requirement, Precept and Council Tax for 2004/05 on the grounds that a decision on substitute calculations was required before the end of February 2004.

2. REVENUE BUDGET AND PRECEPT 2004/05

Further to the meeting of the Combined Fire Authority on 13 February 2004 and the determination of the Revenue Budget and Precept Requirements for the forthcoming year notification had been given to the four Borough/District Councils, as required by the provisions of the Local Government Finance Act 1992.

In accordance with the Local Government Finance Act 1992, notification had also been given to the ODPM on the Budget Requirement Return 2004/05 (BR2) within seven days of the meeting. The Chief Fire Officer was then requested to meet with the Minister of State for Local and Regional Government on 23 February 2004 to discuss the increase in the Band D tax compared with the notional sum for 2003/04.

As a result of the meeting with the Minister and new information received, the Combined Fire Authority reconsidered its Revenue Budget and Budget requirement, Precept and Council Tax for 2004/05.

A report with further information to assist Members in determining the final Revenue Budget was tabled which the Chairman, in accordance with section 100B 4(b) of the Local Government Act 1972, was of the opinion should be considered as a matter of urgency by reason of the special circumstances detailed above.

The Chief Fire Officer informed Members that whilst the Minister was supportive of the position in which the Authority found itself, there was pressure to keep the level of Council Tax increases as low as possible. As the Authority and one other had agreed considerably higher increases than other Combined Fire Authorities, there was a serious risk of the budget being capped by the Minister. Discussions were centred around making an overall reduction of £900,000.

The joint report submitted by the Chief Fire Officer and Treasurer detailed professional advice and guidance on calculations based around a £700,000 reduction in the Revenue Budget Working Balance and Reserves and a further £200,000 which officers were asked to identify and report to a future meeting.

In considering the proposed reductions, Members were reminded of the need for adequate provision for Reserves and Working Balances given that the Authority had taken on precepting status. Whilst a working Balance and Reserves of only £500,000, 2.1% of the budget, could leave the Authority in a vulnerable position, it was considered necessary as a damage limitation exercise to reduce the risk of the budget being capped.

Members debated in detail the proposed reductions taking account of the implications of capping, reduced reserves and Central Government's views.

In expressing concern about the level of reserves, the Combined Fire Authority reluctantly made substitute calculations under S49 of the Local Government Finance Act 1992 as follows:

1. The Authority's Revenue Budget for 2004/05 at £24,233,061, including a Contingency Provision for pay and price inflation of £683,000 and a level of working balance and reserves of £500,000.
2. That this Budget Requirement of £24,233,061 be met through:

Revenue Support Grant	£4,809,286
Business Rate Income	£5,528,434
Transitional Grant	<u>£286,000</u>
	<u>£10,623,720</u>

and that the Fire Authority Precept Requirement be determined at £13,609,341.

3. That pursuant to the provisions of the Local Government Finance Acts 1992 and 1999 and all other relevant statutory powers, the Treasurer of the Authority issue Precepts in the necessary form to each of the Borough/District/Unitary Councils indicated in Column 1, requiring those Authorities to make payments of the sum indicated in Column 2 in eleven equal instalments:

Borough/District/Unitary Councils (1)	£ (2)
Bedford Borough	3,613,399
Luton Borough	3,733,299
Mid Bedfordshire District	3,350,999
South Bedfordshire District	<u>2,911,644</u>
Total	<u>£13,609,341</u>

4. That the amount of Council Tax calculated, in accordance with the Local Government Finance Act 1992, to be payable in respect of each category of dwelling be confirmed as follows:

Valuation Band	Council Tax for Band £
A	46.50
B	54.25
C	62.00
D	69.75
E	85.25
F	100.75
G	116.25
H	139.50

COUNCILLOR Q HUSSAIN

Luton Borough Council Member of the Combined Fire Authority