

**REPORT OF THE
HAMPSHIRE FIRE AND RESCUE AUTHORITY**

HFRA BUDGET 2010/11

1. At its meeting on 10th February 2010 the Fire and Rescue Authority approved a budget of £68.2m for 2010/11 - an increase of 2.3% on the previous year. The Authority also approved a council tax increase of 1.8%. This results in an annual council tax of £61.38 for a Band D property.
2. The budget was prepared taking into account the anticipated severe pressures on public sector funding. A number of scenarios were considered which assumed a 5% reduction in government grant from 2011/12. An assessment was made of the savings that would need to be made given different assumptions about future council tax decisions (from 2011/12). Some of the Authority's corporate objectives for 2010 to 2013, also approved at the meeting, will generate a significant level of savings in the medium-term.
3. General reserves have been increased from £1.6m to £2m in order to provide better cover against the risk of reductions in government grants. Also, capital reserves have been increased to give more flexibility to fund major projects in the potentially tougher years ahead.
4. The Audit Commission's latest assessment of the Authority's use of resources indicates that Hampshire Fire and Rescue Authority is well positioned to meet the coming challenges.
5. Union, business and community representatives were consulted on the proposals. They considered the service to represent good value for money, and particularly welcomed the account taken of likely future pressures while keeping the council tax increase below the 2.5% increase in state pensions.

ROYSTON SMITH (SOUTHAMPTON)
Chairman