

Revisions to the 2017/18 Revenue Budget

Report of the Treasurer

For further information about this report please contact James Walton, Treasurer, on 01743 255011 or Joanne Coadey, Head of Finance on 01743 260215.

1 Purpose of Report

This report presents a final revenue budget package for 2017/18 for consideration by the Committee, and recommendation to the Fire Authority, taking into account latest information.

2 Recommendations

The Committee is asked to recommend that the Fire Authority agree a revenue budget, prior to the approval of the capital programme, of £20.704m for 2017/18.

3 Background

At its meeting in December 2016, the Fire Authority considered a budget package for consultation, which was based on the following:

- A net budget requirement of £20.563m for 2017/18, made up of total expenditure of £20.668m and a contribution from reserves of £105,000;
- A council tax precept increase of 0.5%, which was below the council tax referendum threshold of 2.0%; and
- An assumed council tax base of 153,720.55, with no assumed surplus or deficit on collection funds for council tax and business rates.

At the date upon which the meeting was held, the local government finance settlement had not been released.

The position in December is summarised as follows:

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Expenditure budget proposed by the Committee	20,668	20,237	20,468	20,753	20,992
Income, based upon: 8% grant reduction from 2016/17 2% precept increase from 2016/17	20,563	20,244	20,348	20,510	20,940
Surplus / -deficit on revenue budget	-105	7	-120	-243	-52

This report updates the Committee on developments since the December 2016 meeting, including the publication by Government of the provisional 2017/18 settlement.

4 Provisional Grant Settlement 2017/18

Correspondence from the Home Office has confirmed that the Fire Authority's published Efficiency Plan has been noted and as a result the funding allocations published on 15 December 2016 are as per the 2016/17 local government finance settlement for the years 2017/18, 2018/19 and 2019/20. This is barring exceptional circumstances and subject to the normal statutory consultation process. A copy of the letter confirming this is attached at the appendix to the report.

5 Council Tax Base and Collection Fund

Council Tax Base

The council tax bases for Shropshire Council and Telford & Wrekin Council for 2017/18 have now been confirmed. The base will rise by 2.16%, compared to an estimate of 1.2%. The strategic planning model has been updated accordingly, and has resulted in additional income of £137,000.

Current assumptions around council tax base are that, for 2018/19 onwards, the base is increased by 0.8%, to reflect increases in the number of houses built in Shropshire and Telford & Wrekin in future years. This will be reviewed with both authorities and any proposed amendments will be brought to members.

Collection Funds

It was reported to the Authority that, given the changes around localisation of council tax support, which took effect in 2013/14, and the resulting pressures on the council tax collection fund, it was considered prudent to remove any anticipated surplus from our planning. This approach has continued for this budget setting process.

A collection fund surplus for the Authority of £185, 130 has been confirmed by Telford & Wrekin Council but collection fund balances for Shropshire Council are not yet available. Collection fund balances have not yet been added to the totals below, but will add income to 2017/18 only.

6 Final Budget Options

The Capital Programme for 2017/18 and later years will be considered by the Committee in exempt session later in the meeting. Any revenue costs associated with the Programme to 2019/20 will be taken into account when the final budget is presented to the Authority.

A final budget package is shown in the table below for approval by the Committee, and recommendation to the Authority, subject to debt charges. Possible surpluses for the years following are more certain with the introduction of settlements for each year. The variations shown above can be exemplified in the Service Plan, and can be updated when more information becomes available. The budget is subject to the confirmation of the collection fund balance for Shropshire Council.

	2017/18 £000	2018/19 £000	2019/20 £000
Expenditure budget proposed by the Committee	20,668	20,237	20,468
Funded by:			
Revenue Support Grant and Business Rates Income	6,036	5,537	5,465
Council Tax	14,667	14,858	15,052
Collection Fund	0	0	0
Total	20,703	20,395	20,517
Surplus / -Deficit	35	158	49

7 Financial Implications

There are no financial implications other than those outlined in the report.

8 Legal Comment

There are no legal implications arising directly from this report.

9 Initial Impact Assessment

An Initial Impact Assessment form has been completed.

10 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Human Resources 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment is not, therefore, required.

11 Appendix

Letter from Rt Hon Brandon Lewis MP, received on 14 December 2016

12 Background Papers

There are no background papers associated with this report.



Home Office

2 Marsham Street,
London SW1P 4DF
www.gov.uk/home-office

To: Fire and Rescue Authority Chairs
Chief Fire Officers

14 DEC 2016

I would like to extend my thanks for your efforts in developing and publishing your efficiency plans. I have noted the published plans produced by Fire and Rescue Authorities and as a result, multi-year settlement offers will be extended to all single purpose fire and rescue authorities as part of the local government finance settlement. I believe this certainty of funding will drive a key pillar of the fire reform agenda by helping make fire and rescue services more efficient and effective.

The allocations published are as per the 2016/17 local government finance settlement in the years 2017/18, 2018/19 and 2019/20. Barring exceptional circumstances, and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year. However, events such as the transfer of functions to local government, transfers of responsibility for functions between Fire and Rescue Authorities, mergers between authorities, and any other unforeseen circumstances would need to be taken into account.

For those Fire and Rescue Authorities that are part of a County Council, you will be aware that your funding is contained within the overall sum available to the County. It is of course for County Councils to make decisions about the use of their funding based on local priorities, but I wanted to reiterate the Government's aim for all fire and rescue services to increase efficiency and deliver reform.

My ambition is to create a fire and rescue service that is more accountable, effective and professional than ever before. Delivering these plans will provide an important step towards this; but I want to make absolutely clear that there is still much more to do. We will need to go much further in driving efficiencies through collaboration with other emergency services. We will need to drive down the costs of procurement and bring innovation to the way we protect and prevent the public from the risk of fire.

I look forward to continue working with you make this vision a reality.

Rt Hon Brandon Lewis MP