

2016/17 and Later Years Budget Summary

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 summarises the budgets that are proposed by the Strategy and Resources Committee. The results are put forward to the Fire Authority for approval as the basis for consultation, leading to a final decision at the Fire Authority meeting in February 2016.

2 Recommendations

The Fire Authority is recommended to:

- a) Base its revenue budget planning and consultation on the totals set out in section 4 of this report;
- b) Agree the recommendations on Reserves and Provisions, set out in report 6 of the Appendix, and confirm the general reserve; and
- c) Request the Strategy and Resources Committee to prepare a final budget package in February 2016, for final decision by the Fire Authority later in February 2016.

3 Background

The Strategy and Resources Committee agreed to submit a five-year revenue and capital budget for consideration by the Fire Authority. Full details are set out in the reports, which were agreed by the Committee and which are attached at the Appendix to this report – the ‘Green Booklet’.

The Committee reviewed expenditure budgets, and was also informed of potential changes to government funding, although no firm information had been made available.

4 Current Position

The assumptions, upon which financial modelling is being based, are unchanged from 2015/16, and the current position is shown below.

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Expenditure budget proposed by the Committee	20,434	20,309	20,137	20,368	20,129
Income, based upon: 8% grant reduction from 2016/17 2% precept increase from 2016/17	20,768	20,619	20,524	20,480	20,485
Surplus / -deficit on revenue budget	334	310	387	112	356

The Committee also received a report, which detailed the Authority's reserves and provisions. The reserves and provisions currently total £13.2m.

Based on current income assumptions, an income strategy, including a precept increase of 2% per year until 2020/21, will generate the surpluses shown in the table above, which may result in further contributions to reserves. This is in addition to any underspend reported to the Authority throughout the financial year.

5 Council Tax Base and Collection Fund

Council Tax Base

Council tax base is currently increased by 0.8% per year, to reflect increases in the number of houses built in Shropshire and Telford & Wrekin in future years. No firm numbers will be available from Shropshire Council or the Borough of Telford & Wrekin until January 2016.

Collection Fund

The Authority continues to take a prudent approach and has removed any surplus on Collection Funds from budget planning. This policy applied to both the council tax and business rates Collection Funds.

When Collection Fund balances are confirmed in January 2016, adjustments can be made to the proposed budget for 2016/17, however nothing will be anticipated for future years.

6 Outstanding Issues

Following the Autumn Statement on 25 November 2015, an announcement on the grant settlement for local government is expected in mid-December. Until this is received, planning will continue, based on the assumptions in these reports.

7 Financial Implications

These are detailed in the main body of the report.

8 Legal Comment

There are no direct legal implications arising from this report.

9 Initial Impact Assessment

An Initial Impact Assessment has been completed.

10 Appendix

The Green Booklet - Shropshire and Wrekin Fire and Rescue Authority Strategy and Resources Committee, 12 November 2015, Reports 6 and 7

11 Background Papers

The background papers associated with this report are attached as an appendix.