

Revenue Budget 2017/18

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 incorporates the recommendations made by Strategy and Resources Committee on 2 February, in relation to the revenue budget for 2017/18. The report also confirms the use of assumptions for medium-term financial planning.

2 Recommendations

The Fire Authority is recommended to:

- a) approve a revenue budget for 2017/18 and a forward financial projection to 2019/20, as set out in section 6; and
- b) delegate any necessary amendments to the revenue budget to the Treasurer, in consultation with the Chair and the Vice Chair.

3 Strategy and Resources Committee

At its meeting on 2 February 2017, the Fire Authority's Strategy and Resources Committee considered a budget package, based on a revenue budget of £20.668m for 2017/18.

At that time there had been a number of developments since the Authority met in December:

- Provisional grant settlements for the three years to 2019/20 were released on 15 December 2016, following acceptance of the Authority's Efficiency Plan by the Home Office. These figures were in line with provisional estimates provided in 2016/17 and were represented in the strategic planning model.

- Council tax base was confirmed at 155,178.70, an increase of 2.16% on 2016/17, and some of the collection fund surpluses from the constituent authorities were also confirmed.

At the same meeting, the Committee considered the capital programme for the planning period, and acknowledged that there were capital charges to be reflected in the revenue budget for the years at the end of the period.

These have now been incorporated into the final budget package.

4 Further Developments

Business rate income figures have now been confirmed by Shropshire Council and the Borough of Telford & Wrekin, although they are subject to revision in the last two months of the financial year. Total income from the two authorities is £100,000 more than the estimated rates income included in the settlement in December.

These numbers, along with a joint surplus of £66,000 on the business rates collection fund, and further rates-related grants of £99,000, have been factored into planning assumptions.

The council tax collection funds for both authorities have now also been confirmed, and there is a total surplus payable to the Fire Authority of £346,000. This one-off income has been added to the planning model.

5 Confirmation of Local Government Finance Settlement

The finance settlement is due to be debated in Parliament on 22 February, the date of this meeting.

There are unlikely to be any changes that will alter the budget and precept recommended to the Authority at this meeting. However, should any changes occur to the revenue budget being approved, members are asked to delegate the necessary amendments to the Treasurer, in consultation with the Chair and the Vice Chair.

Section 4.2 of the Authority's Scheme of Delegations states:

"In agreement with the Chief Fire Officer, and after consultation with the Chair and the Vice Chair, in cases of urgency to approve virement, supplementary revenue and capital votes not otherwise covered by the Treasurer's delegated authority. Action taken under this delegation must be reported to the next meeting of the Authority."

6 Proposed Final Budget Package

The position for 2017/18 and into the medium term can now be summarised as follows:

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|--------------------------------|-----------------|-----------------|-----------------|
| Expenditure: | | | |
| Budget | 20,668 | 20,237 | 20,468 |
| Capital Charges | | | 27 |
| Surplus / -deficit | 645 | 158 | 22 |
| Total | 21,313 | 20,395 | 20,517 |
| | | | |
| Funded by: | | | |
| Grant and business rates | 6,234 | 5,537 | 5,465 |
| Business rates collection fund | 66 | - | - |
| Council tax | 14,667 | 14,858 | 15,052 |
| Council tax collection fund | 346 | - | - |
| | | | |
| Total | 21,313 | 20,395 | 20,517 |

7 Financial Implications

There are no financial implications arising from this report other than those discussed within the report.

8 Legal Comment

There are no legal implications arising directly from this report.

9 Appendices

There are no appendices to this report.

10 Background Papers

There are no background papers associated with this report.