

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13 September 2018
Item No. 7

REPORT AUTHOR: HEAD OF FINANCE/TREASURER

SUBJECT: 2019/20 REVENUE BUDGET AND CAPITAL PROGRAMME

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Background Papers: 2018/19 FRA Budget Papers

Implications (tick ✓):

LEGAL		FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	
CORPORATE RISK	Known	OTHER (please specify)	
	New		

Any implications affecting this report are noted at the end of the report.

PURPOSE

To present the current planning arrangements for the 2019/20 Revenue Budget and Capital Programme and agree the timetable accordingly.

RECOMMENDATION:

That the report and timescales within be reviewed, considered and agreed.

1. Introduction

1.1 On 8 February 2018, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2018/19 of £29.437m and a Capital Programme of £1.253m.

1.2 This report introduces the process for 2019/20.

2. The 2019/20 Revenue Budget and Capital Programme

2.1 **Funding Updates:**

2.1.1 **Revenue** – On 21st July 2016, the FRA considered and accepted the four year Government Grant funding offer, therefore giving some certainty of the funding that will be received between now and 2019/20. In order to be eligible for this the Authority is required to provide via our website information on our savings and efficiencies. These are monitored during the year by the Corporate Management Team and reported to the Fire and Rescue Authority (FRA). Although the Authority has a good indication of the funding the reductions are still large, the Revenue Support Grant (RSG) is forecast to reduce from £5.210m in 2013/14 to £1.855m in 2021/22. The medium term budget gap, which is currently circa £1m, therefore needs closing with new savings and efficiencies yet to be identified. In the medium term, there is also some uncertainty of the funding mechanism.

2.1.2 **Capital** – There was not any capital funding or bidding round launched for the 2018/19 financial year and it is anticipated that this will be the same position for 2019/20 too. The Capital Programme is fully funded by revenue, unless where a specific grant has been received.

2.2 **2018/19 Corporate Management Team (CMT) Post Budget Review:**

2.2.1 A post 2018/19 budget process review was held by CMT.

2.2.2 The outcome of this meeting was:

- i. In the main, to continue with the process adopted for 2018/19.
- ii. Continue to work on existing and new savings and efficiencies that will take place during the 2018/19 financial year and the 2019/20 to 2022/23 years.
- iii. To introduce a Zero Base Budgeting (ZBB) exercise for the main areas of non-salary spend.

2.3 **Timescales:**

2.3.1 For 2019/20, there will be a draft budget set by the FRA on 13 December 2018 for consultation. The budgets and council tax will finally be set by the FRA, post consultation on 7 February 2019. The Authority will need to consult with the community and businesses. This will again be linked in with the Community Risk Management Plan (CRMP).

2.3.2 The proposed timetable for the 2019//20 budget process is attached at Appendix 1. The actions required to date have been met.

2.4 Proposals:

2.4.1 The proposals below are included for discussion and are currently anticipated being part of the 2019/20 revenue and capital budget setting process:

- *Roll Forward* – As agreed for the 2018/19 process last year, it is again proposed to roll forward the 2018/19 budget and scrutinise the appropriateness of the 2019/20 budgets during the officer review process.
- *Scrutiny/Review* – As identified above, the scrutiny process will continue for 2019/20, reviewing the draft 2019/20 budgets, compared to 2018/19 actuals/forecast year end position and 2017/18 actuals.
- *Savings/Efficiencies* – The savings/efficiency work that CMT carried out for the 2018/19 budget cycle will need to be revisited to ensure initiatives previously proposed in future years are still appropriate and deliverable. There will again not be a fixed percentage to apply across the board to non-salary budgets. However, the budget scrutiny meetings will of course be looking for efficiencies on top of those worked up during the 2018/19 budget process. The 2018/19 planned savings/efficiencies will be monitored via CMT in year and FRA budget monitoring reports.
- *Budget Forms* – New bid forms were created for the 2016/17 budget process that combined revenue and capital bids and also incorporate project management aspects. These will be again used for the 2019/20 budget process.
- *Planning Assumptions* - A summary list of planning assumptions will be presented to Members during the budget process both for information purposes but also to input and agree on.
- *Capital* – The Capital Programme for 2019/20 onwards needs to be focussed on more than the forthcoming year. The returns to Government ask for our three year indicative capital expenditure figures.

2.4.2 Zero Based Budgeting

As presented to FRA Members last year during the 2018/19 budget setting process, the budget process for 2019/20 will incorporate zero based budgeting (ZBB). ZBB is a resource intensive exercise, so this will not cover all areas, but will cover the larger budgets with the potential greatest reductions. In summary, ZBB is starting a budget from zero and reviewing and justifying all the elements that make up the budget. These reviews will take place as part of the normal budget challenge meetings; most of these are already diarised.

The areas that I have initially identified to focus the ZBB exercise on are:

- ICT (most areas)
- Technical (Operational Equipment)
- Training (External Training)
- Procurement/Technical (PPE – new PPE budget overview)
- Property (Repairs & Maintenance Service Wide, Service Agreements)
- Pensions (Pension Fund, injury and ill health)
- Other areas to be confirmed

3. Summary

3.1.1 This report introduces the 2019/20 budget timetable and process to Members. Members will be kept informed of progress.

PAUL FULLER
CHIEF FIRE OFFICER

GAVIN CHAMBERS
HEAD OF FINANCE/TREASURER

2019/20 BUDGET TIMETABLE

GROUP	AREA OF REVIEW	DATE
Corporate Management Team (CMT)	Budget memo sent out, including Budget Bid form. Cost centre sheets to be provided at least a fortnight before Finance review meetings.	w/c 30 July 2018
CMT	Budget bid requests (revenue and capital) back to Finance	3 September 2018
CMT	Initial budget report/verbal update	Late September 2018
CMT	<i>Head of Service and Finance Meeting, to review cost centre sheets (agree virements etc).</i>	<i>Throughout September</i>
Corporate Services Policy & Challenge Group (CSP&CG)	Initial budget report setting out timetable	13 September 2018
Capital Strategy Team	Review any Capital bids.	October 2018 (date tbc)
CMT Budget Meeting (excl Principal Officers)	Discuss current budget position/efficiencies.	16 October 2018
CMT Budget Meeting (excl POs)	Discuss current budget position/ efficiencies.	24 October 2018
CMT Budget Meeting (excl POs)	Budget meeting.	1 November 2018
CMT & POs	CMT and POs to review draft budget and CRMP prior to 1 st Members budget workshop.	12 November 2018
FRA	1 st Members budget workshop – draft budget and draft CRMP.	15 November 2018
CMT	Draft budget if required, prior to sending out FRA papers.	Late November 2018

FRA	Draft budget set and CRMP for consultation.	13 December 2018
<i>Public Consultation on draft budget and CRMP</i>	<i>From 13 December 2018 to 31 January 2019. Consultation may commence before this date.</i>	<i>13 December 2018 to 31 January 2019</i>
CMT	Update to CMT as required.	January 2019
FRA	2 nd Members budget workshop – post main consultation period. Draft CRMP post consultation.	17 January 2019
FRA	2018/19 Budget and Council Tax Precept set. CRMP – with consultation outcomes incorporated.	7 February 2019