

For Publication

Bedfordshire Fire and Rescue Authority
4 September 2019
Item No. 9

REPORT AUTHOR: ASSISTANT CHIEF OFFICER / TREASURER

SUBJECT: 2020/21 REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX SETTING

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Background Papers: 2019/20 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 2020/21 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 7 February 2019, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2019/20 of £29.832m, a Capital Programme of £1.736m and the Band D council tax at £98.45.

1.2 This report introduces the process for 2020/21.

2. The 2020/21 Revenue Budget and Capital Programme

2.1 **Funding Updates:**

2.1.1 **Revenue** – On 21 July 2016, the FRA considered and accepted the four year Government Grant funding offer, therefore giving some certainty of the funding for the financial years 2016/17 and 2019/20. In order to be eligible for this the Authority provided via our website information on our savings and efficiencies. We wait to hear whether there will be a multi-year settlement from 2020/21 onwards or if the 2020/21 financial settlement will for one year only. We also wait to hear any outcome from the Business Rates Review, Spending Review and Formula Funding Review.

2.1.2 **Capital** – There was no capital funding or bidding round for the 2019/20 financial year and it is anticipated that this will be the same position for 2020/21 too. The Authority's Capital Programme is fully funded by revenue, unless where a specific grant has been received or there has been a sale of an asset, such as vehicles.

2.2 **2019/20 Corporate Management Team (CMT) Post Budget Review:**

2.2.1 A post 2019/20 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 2019/20.
- ii. Continue to work on existing and new savings and efficiencies that will take place during the 2019/20 financial year and the 2020/21 to 2023/24 years.
- iii. To continue a Zero Base Budgeting (ZBB) approach for the main areas of non-salary spend, such as ICT and salary areas such as the Retained Duty System (RDS).
- iv. For a short bid form to be introduced, for initial bids to be assessed by a CMT gateway. If successful, the longer form will then be completed for review.

2.3 **Timescales:**

2.3.1 For 2020/21, there will be a draft budget set by the FRA on 12 December 2019 for consultation. The budgets and council tax will finally be set by the FRA, post consultation on 6 February 2020. 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 2020/21 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 2020/21 revenue and capital budget setting process:

- *Roll Forward* – As agreed for the 2019/20 process last year, it is again proposed to roll forward the 2019/20 budget and scrutinise the appropriateness of the 2020/21 budgets during the officer review process.
- *Scrutiny/Review* – As identified above, the scrutiny process will continue for 2020/21, reviewing the draft 2020/21 budgets, compared to 2019/20 actuals/forecast year end position and 2018/19 actuals.
- *Savings/Efficiencies* – The savings/efficiency work that CMT carried out for the 2019/20 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 2019/20 budget process. The 2019/20 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 incorporated project management aspects. These will be again used for the 2020/21 budget process, but a short bid form will be introduced, so that a limited amount of form completion is required to get through the first gateway in the bid 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 2020/21 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 2019/20 budget setting process, the budget process for 2020/21 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 identified to focus the ZBB exercise on for 2020/21 are:

- ICT (most areas)
- Technical (Operational Equipment)
- Capital Slippage (Fleet)
- Salary areas such as RDS
- Other areas to be confirmed

3. Summary

3.1.1 This report introduces the 2020/21 budget timetable and process to Members. Members will be kept informed of progress.

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CHIEF FIRE OFFICER**

**GAVIN CHAMBERS
ACO/TREASURER**

APPENDIX 1

2020/21 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.	By 23 rd August 2019
FRA	Initial budget report setting out timetable.	4 th September 2019
CMT	Budget bid requests (revenue and capital) back to Finance.	By 6 th September 2019
CMT	Initial budget report/verbal update.	9 th September 2019
<i>CMT</i>	<i>Head of Service and Finance Meeting, to review cost centre sheets (agree virements etc).</i>	<i>During September</i>
CMT Budget Meeting (excl CFO & DCFO)	Discuss current budget position/efficiencies.	13 th September 2019
CMT Budget Meeting (excl CFO & DCFO)	Discuss current budget position/ efficiencies.	1 st November 2019
CMT Budget Meeting (excl CFO & DCFO)	Budget meeting.	5 th November 2019
CMT & all three Principal Officers	CMT and POs to review draft budget and CRMP prior to 1 st Members budget workshop.	8 th November 2019
FRA	1 st Members budget workshop – draft budget and draft CRMP.	27 th November 2019
CMT	Draft budget if required, prior to sending out FRA papers.	Post 27 th November 2019

FRA	Draft budget set and CRMP for consultation.	12 th December 2019
<i>Public Consultation on draft budget and CRMP</i>	<i>From 13 December 2019 to 31 January 2020.</i>	<i>13th December 2019 to 31st January 2020</i>
CMT	Update to CMT as required.	January 2020
FRA	2 nd Members budget workshop – post main consultation period. Draft CRMP post consultation.	16 th January 2020
FRA	2020/21 Budget and Council Tax Precept set. CRMP – with consultation outcomes incorporated.	6 th February 2020