

For Publication

**Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge
14 September 2016
Item No. 8**

REPORT AUTHOR: HEAD OF FINANCE/TREASURER

SUBJECT: 2017/18 REVENUE BUDGET AND CAPITAL PROGRAMME

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Background Papers: 2016/17 FRA Budget Papers

Implications (tick ✓):

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

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

PURPOSE

To present the current planning arrangements for the 2017/18 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 19 February 2016, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2016/17 of £28.916m and a Capital Programme of £1.274m.
- 1.2 This report introduces the process for 2017/18.

2. The 2017/18 Revenue Budget and Capital Programme

2.1 **Funding Updates:**

2.1.1 **Revenue** – As approved by the FRA on 21 July 2016, the Authority will be accepting the four year Government Grant funding offer, giving us some certainty of the funding that we will receive between now and 2019/20. In order to be eligible for this the Authority will need to provide via our website information on our cashable and non-cashable savings and efficiencies. These will also be monitored 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 £4.770m in 2016/17 to £2.470m in 2019/20. The medium-term budget gap, which is in excess of £1m, therefore needs closing with new savings and efficiencies yet to be identified. In the medium-term, there is also the uncertainty of either being funded by local business rates and no RSG or possibly moving to a funding model like the Police funded by direct grant with no business rates support. We await the outcome of the current consultation on business rates reform.

2.1.2 **Capital** – There was not any capital funding or bidding round launched for the 2016/17 financial year and it is anticipated that this will be the same position for 2017/18 too.

2.2 **2016/17 Corporate Management Team (CMT) Post Budget Review:**

2.2.1 A post 2016/17 budget process review meeting was held by CMT.

2.2.2 The outcome of this meeting was:

- i. In the main, to continue with the process adopted for 2016/17.
- ii. Continue to work on existing and new savings and efficiencies that will take place during the 2016/17 financial year and the 2017/18 to 2020/21 years.

2.3 **Timescales:**

2.3.1 For 2017/18, there will be a draft budget set by the FRA on 15 December 2016 for consultation. The budgets and council tax will finally be set by the FRA, post consultation on 9 February 2017. 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 2017/18 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 2017/18 revenue and capital budget setting process:

- *Roll Forward* – As agreed for the 2016/17 process last year, it is again proposed to roll forward the 2016/17 budget and scrutinise the appropriateness of the 2017/18 budgets during the officer scrutiny process.
- *Scrutiny* – As identified above, the scrutiny process will continue for 2017/18, reviewing the draft 2017/18 budgets, compared to 2016/17 actuals/forecast year end position and 2015/16 actuals.
- *Savings/Efficiencies* – The savings/efficiency work that CMT carried out for the 2016/17 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 scrutiny panels will of course be looking for efficiencies on top of those worked up during the 2016/17 budget process. The 2016/17 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 2017/18 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 2017/18 onwards needs to be focussed on more than the forthcoming year. The returns to Government ask for our three year indicative capital expenditure figures and currently our programme, with the exception of vehicles, has in the past focused predominantly on the next year in question.

3. Summary

3.1.1 This report introduces the 2017/18 budget timetable and process to Members. Members will be kept informed of progress.

PAUL FULLER CBE QFSM
CHIEF FIRE OFFICER

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HEAD OF FINANCE/TREASURER

2017/18 BUDGET TIMETABLE

GROUP	AREA OF REVIEW	DATE
Corporate Management Team (CMT)	Budget memo sent out, including cost centre sheets and Budget Bid form.	w/c 15 August 2016
CMT	Budget information back to Finance, budget sheets and budget bid requests.	2 September 2016
CMT	Initial budget report/verbal update.	12 September 2016
<i>CMT</i>	<i>Scrutiny panels (HFT and Principal Officers)</i>	<i>From 13 September to 7 October 2016</i>
Corporate Services Policy & Challenge Group (P&CG)	Initial budget report.	14 September 2016
Capital Strategy Team	Review remaining Capital bids, post scrutiny.	7 October 2016
CMT Budget Meeting (excl POs)	Discuss current budget position/efficiencies.	14 October 2016
CMT Budget Meeting (excl POs)	Discuss current budget position/efficiencies.	26 October 2016
CMT Budget Meeting (excl POs)	Budget meeting.	3 November 2016
CMT & POs	CMT and POs to review draft budget and CRMP prior to 1 st Members budget workshop.	14 November 2016
FRA	1 st Members budget workshop – draft budget and draft CRMP.	22 November 2016
CMT	Draft budget if required, prior to sending out FRA papers.	Late November 2016
FRA	Draft budget set and CRMP for consultation.	15 December 2016
<i>Public Consultation on draft budget and CRMP</i>	<i>From 11 December 2015 to 31 January 2016. Consultation may commence before this date.</i>	<i>15 December 2016 to 31 January 2017</i>
CMT	Update to CMT as required.	9 January 2017
FRA	2 nd Members budget workshop – post main consultation period. Draft CRMP post consultation.	17 January 2017
FRA	2017/18 Budget and Council Tax Precept set. CRMP – with consultation outcomes incorporated.	9 February 2017