



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 05

MEETING	Policy and Resources Committee
DATE OF MEETING	25 January 2017
SUBJECT OF THE REPORT	Draft Budget 2017/18 and Medium Term Finance Plan
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For consideration and approval
EXECUTIVE SUMMARY	<p>This report provides the final position on the revenue and capital budget requirement for 2017/18. This follows the budget seminar held on 29 November 2016.</p> <p>The budget requirement for 2017/18 is set out in section 3 of the report. It includes provisional sums for business rates income as at the time of writing we have yet to receive final confirmation from the billing authorities.</p> <p>The report considers three options for Fire Precept band D council tax:</p> <p>Option 1 - an increase of 1.99% resulting in a Fire Precept Band D of £70.59 and a net budget requirement of £53.625m including a contribution from reserves of £69k of reserves to balance the 2017/18 budget with an on-going estimated budget deficit beyond 2019/20 of £1.021m. This option is recommended as the most sustainable;</p> <p>Option 2 – an increase of 1.0% resulting in a Fire Precept Band D of £69.90 and a net budget requirement of £53.260m, including the use a contribution from reserves of £434k to balance the 2017/18 budget with an on-going estimated budget deficit beyond 2019/20 of £1.405m; or</p> <p>Option 3 - no increase resulting in a Fire Precept Band D of £69.21 and a net budget requirement of £52.894m, including a contribution from reserves of £800k to balance the 2017/18 budget with an on-going estimated budget deficit beyond 2019/20 of £1.794m.</p>

RISK ASSESSMENT	The Authority has undertaken a significant amount of work in combining to achieve a sustainable budget position, against the backdrop of continuing government funding reductions. The level of business rates remains a concern, and the uncertainty over the funding mechanism may develop as the responsibility for Fire moves across to the Home Office (HO).
COMMUNITY IMPACT ASSESSMENT	The impact assessment was considered as part of the final business case for combination.
BUDGET IMPLICATIONS	These are contained within the report.
RECOMMENDATIONS	<p>1. That the Policy & Resources Committee recommends that the Fire Authority considers and approves the revenue and capital budgets for 2017/18, the Medium Term Financial Plan and Option 1.</p> <p>Note: As Treasurer, I am recommending Option 1 - an increase of 1.99% resulting in a Fire Precept Band D of £70.59 and a net budget requirement of £53.694m including a contribution from reserves of £69k of reserves to balance the 2017/18 budget with an on-going estimated budget deficit beyond 2019/20 of £1.021m. This option is recommended as the most sustainable.</p>
BACKGROUND PAPERS	2017/18 Provisional Local Government Finance Settlement, DCLG, 14 December 2016
APPENDICES	<p>Appendix A: Summary Options Fire Precept Band D</p> <p>Appendix B: Medium Term Finance Plan 2017-2020</p>
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1. Introduction

- 1.1 This report provides the position on the revenue and capital budget requirements for 2017/18 which are based on the budget principles approved by the Policy and Resources Committee and amended in light of the provisional finance settlement announced on 14 December 2016.
- 1.2 There are a number of issues and financial implications presented to the Authority in this report, which are based on best information available and professional forecasts. In particular, this includes provisional sums for business rates income as per the settlement funding assessment as at the time of writing we have yet to receive final confirmation from the billing authorities.

2. Funding Issues

2.1 Local Government Finance Settlement

- 2.1.1 The Provision Finance Settlement details for 2017/18 were published on 14 December 2016. The final details were expected in early February, but at the time of writing they have yet to be issued. The provisional figure for the new Fire Authority's Settlement Funding Assessment (SFA) for 2017/18 is £15.467m.
- 2.1.2 This is a reduction of £2.169m or 12.3% compared to the SFA for 2016/17, but in line with our expectations from the four-year funding settlement offer. The SFA includes Revenue Support Grant (RSG) funding of £5.704m and a Baseline Funding Level (BFL), under the Business Rates Retention (BRR) Scheme of £9.763m.

	2016/17 £m	2017/18 £m	Difference £m
Settlement Funding Assessment (SFA)	17.636	15.467	-2.169
<i>made up of:</i>			
Revenue Support Grant (RSG)	9.069	5.704	-2.365
Baseline Funding Level (BFL)	9.567	9.763	0.196

- 2.1.3 The Government, in making its assessment of the reductions, has already built into its estimates and assumed an income for the Fire Authority, Fire Precept increases of 2% and taxbase growth based on the average annual taxbase growth between 2013/14 and 2016/17.
- 2.1.4 The Baseline Funding Level (BFL) is split between an assumed level of business rates retention and a top up grant payment from DCLG. The top up grant is increased each year in line with inflation. The amount of business rates retention is subject to some uncertainty, and whether the amount assessed within the SFA will be close to the amount actually received from the billing authorities remains to be seen. The amounts due from the billing authorities have yet to be confirmed. In addition to this, the Government is

expected to continue to cap the small business rates multiplier, and additional funding through Section 31 grant will be made available to local authorities to compensate for their loss.

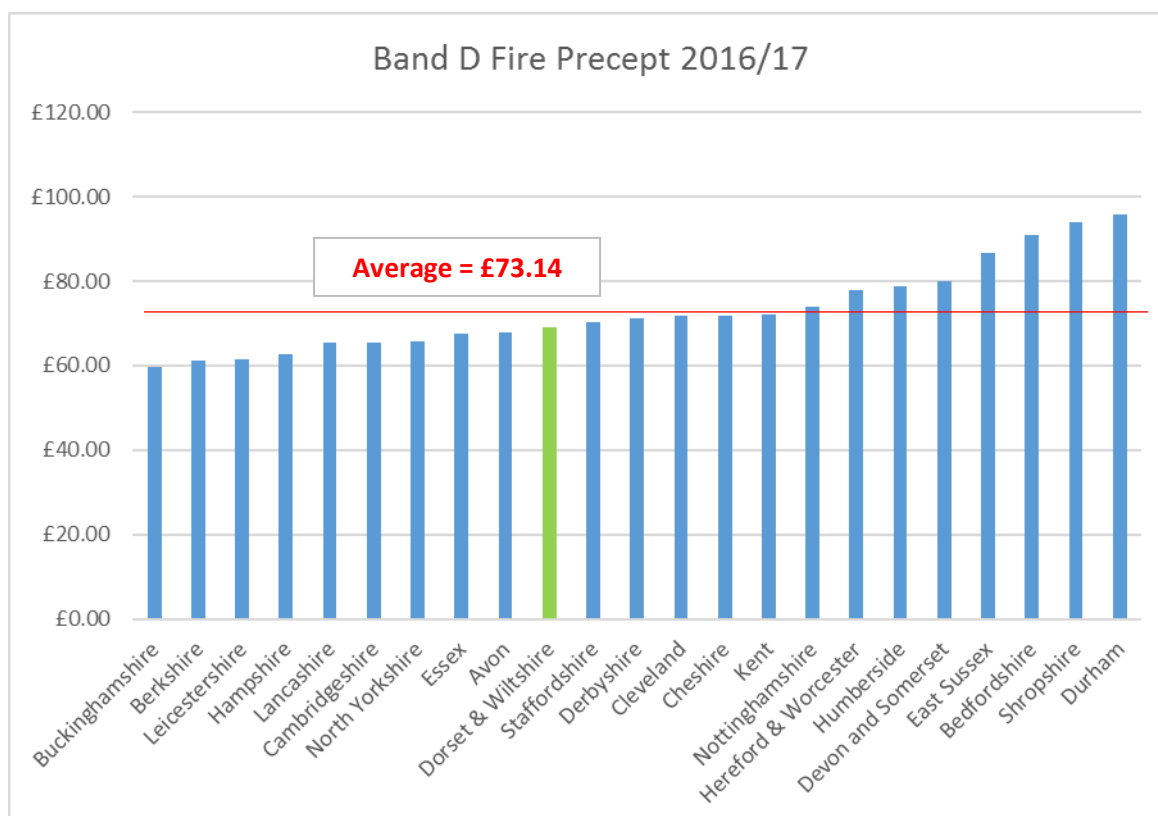
- 2.1.5 The Provisional Settlement for the period 2017/18 to 2019/20 is as largely predicted which was as a result of our four-year efficiency plan, agreed by the Fire Authority at its September meeting. Consultation on the provisional settlement concluded on 13 January 2017 and we expect to see the Government's response when the final settlement is announced in early February 2017.

2.2 Fire Precept

- 2.2.1 The former fire authorities of Dorset and Wiltshire have both traditionally been low spending authorities. As a result, we have suffered from being low funded authorities as well, receiving much lower than average funding from central government, compared to other fire authorities.

- 2.2.2 The low level of funding inevitably places pressure on levels of council tax. For 2016/17 the Dorset and Wiltshire Fire and Rescue Authority band D Fire Precept figure was £69.21. This is much lower when compared to a national average for fire and rescue authorities of £73.14 (see Chart below).

Chart 1: Band D Council Tax 2016/17 (all Combined Fire Authorities)



- 2.2.3 We are unable to raise our precept to the national average level of £73.14, which would mean a 6% rise, as we would be in breach of the referendum threshold.
- 2.2.4 The Provisional Settlement for 2017/18 announced a council tax referendum threshold for 2017/18 of 2% for the Fire Authority. Some Authorities have been given the opportunity to increase their council tax by more than the 2% threshold, to take in to account the cost of adult social care provision and have a limit of an additional 2% or 3% over this and the next two years, with a limit of 6% in the three-year period. District Councils and Police and Crime Commissioners (PCCs) in the lower quartile for precept, have been allowed increase their council tax by up to 2% or £5, whichever is the higher. For medium term financial planning purposes, and in line with Government assumptions, we have assumed that the 2% referendum cap will remain in force in future years.
- 2.2.5 Total Fire Precept funding is also impacted by increases in the taxbase, i.e. the number of band D equivalent households in the Authority area. We have been notified by each billing authority of our taxbase figures for 2017/18. On average across the whole of the Authority area our taxbase has risen by just 1.03%. Taking a prudent approach, for medium term financial planning purposes, we have adjusted our initial estimates included in the Financial Principles paper to Policy and Resources Committee to reflect taxbase increases of 1.0% for future years. This is in line with forecast increases expected by the billing authorities.
- 2.2.6 There are also one-off collection fund surpluses and deficits held at each of the billing authorities, which offset or add to the amount collected in year in respect council tax income. In total these amount to £489k for 2017/18 but these amounts are one-off windfalls and cannot be relied upon over the medium term.

Funding Summary

- 2.2.7 The table below shows the overall funding position taking account of potential precept increases available for 2017/18 together with reported taxbase increases, anticipated grant funding and Business Rates Retention (BRR):

	Option 1 1.99% increase	Option 2 1.00% increase	Option 3 0% increase
Taxbase	530,111	530,111	530,111
Fire Precept band D (£)	£70.59	£69.90	£69.21
Fire Precept (£m)	37.421	37.055	36.689
Collection Fund Surplus/Deficit(-)(£m)	0.489	0.489	0.489
Revenue Support Grant (RSG)(£m)	5.704	5.704	5.704
BRR and Top Up grant (£m)	9.763	9.763	9.763
RSD/Transition Grant	0.249	0.249	0.249
Total Funding (£m)	53.625	53.260	52.894

3. Budget Requirement 2017/18

- 3.1 In determination of the budget there are a number of factors influencing the 2017/18 budget and the medium term financial plan, outside of the issues around precept and Government funding. These are considered below:
- 3.1.1 Local Government Pension Scheme (LGPS) – Following the triennial valuation of both the former Wiltshire and Dorset LGPS funds as at 31 March 2016, the respective pension actuaries have indicated increases in employer contribution for the next three years. The additional indicative costs of this are estimated at £175k for 2017/18.
- 3.1.2 Staffing costs assume 2% pay awards for all staff groups, which is considered prudent given successive years of pay restraint, inflationary forecasts and the consequential pressure on wage demands.
- 3.1.3 2017 Business Rates Revaluation – This shows some significant increases in the valuation of fire premises. After allowing for changes in valuation bands, which put more of our premises into the Small Business Rates category, and the potential for Transitional Relief, we have estimated additional costs of £136k for 2017/18. Costs will increase further in 2018 and 2019 as the Transitional Relief reduces.
- 3.1.4 Other Inflationary and contractual increases equating to approximately 1% on non-pay budgets.
- 3.1.5 Transitional work continues over the next few years to ensure that service provision is maintained and transition to the steady state is achieved. Much of this is associated with transition to the new organisational structure. The budgeted costs of the transition process are currently £4.358m with much of the costs being incurred in 2015/16 and 2016/17. £968k is included in the 2017/18 budget.

- 3.1.6 Taking all the changes into account, the Service Budget Requirement is £53.694m for 2017/18 is as follows: -

	Budget 2017/18 £m
Base Budget	51.933
- 2016/17 Pay Award Adjustments	-0.219
- 2017/18 Pay Awards	0.602
- LGPS Contributions	0.175
- Other Inflationary Costs	0.198
- Transitional Costs	0.968
- Efficiencies	-0.379
- Apprenticeship Levy	0.150
- Business Rates	0.136
- Other Changes	0.130
Service Budget Requirement	53.694

- 3.1.7 Officers have exemplified three options for the Fire Precept Band D: -

- Option 1: an increase of 1.99% (£1.38 per year);
- Option 2: an increase of 1% (£0.69 per year); and,
- Option 3: no increase.

- 3.1.8 All of the option require use of general reserves to balance the budget i.e. £69k, £434k or £800k will be required to be drawn from balances for Options 1,2 and 3 respectively, rising to £1.021m, £1.405m or £1.794m beyond 2019/20. This breakdown is outlined in the table below:

	Option 1 2017/18 1.99% increase	Option 2 2017/18 1.00% increase	Option 3 2017/18 0% increase
Taxbase	530,111	530,111	530,111
Fire Precept band D (£)	£70.59	£69.90	£69.21
Fire Precept Income (£m)	37.421	37.055	36.689
Collection fund surplus/deficit(-)(£m)	0.489	0.489	0.489
Revenue Support Grant (RSG)(£m)	5.704	5.704	5.704
BRR and Top Up grant (£m)	9.763	9.763	9.763
Rural Services Delivery/Transition Grants	0.249	0.249	0.249
Total Revenue Funding (£m)	53.625	53.260	52.894
Service Budget Requirement 2017/18	53.694	53.694	53.694
Budget Surplus/deficit(-)	-0.069	-0.434	-0.800
Net Budget Requirement	54.625	53.260	52.894
Annual Increase in Fire Precept Band D (£)	£ 1.38	£0.69	£0.00
Weekly Increase in Fire Precept Band D(pence)	2.6p	1.3p	0p

4. Medium Term Finance Plan

- 4.1 The Authority produces or updates the Medium Term Finance Plan (MTFP) on an annual basis. The 2017/18 Plan is attached at Appendix B.
- 4.2 The table below shows updated projections of the new Authority's budget requirement from 2017/18 to 2019/20, based on the following assumptions:
- Funding settlement 2017/18 to 2019/20 in accordance with the Finance Settlement announced in December 2016. These include reductions of 9.3%, 12.3%, 5.8% and 2.3% as part of the 4-year settlement 2016/17 to 2019/20.
 - A 1.99% increase in Fire Precept Band D each year.
 - A 1.0% increase (on average) in taxbase each year.
 - Provision for 2% pay awards each year, where relevant.
 - An increase in business rates costs and an allowance for 1% non-pay inflation, plus contractual commitments.
 - Introduction of Apprenticeship Levy 2017/18, equivalent to 3% of paybill.
 - Ongoing transitional costs funding staffing, redundancies, delayed notice period, pay protection etc.
- 4.3 The table below shows the indicative funding available based on the assumptions above, over the period 2017/18 to 2019/20, assuming Option 1 for 2017/18.

Option 1: 1.99% increase each year	2017/18 £m	2018/19 £m	2019/20 £m
Taxbase	530,111	535,413	540,767
Fire Precept band D (£)	£70.59	£71.99	£73.42
Fire Precept (£m)	37.421	38.544	39.703
Collection fund surplus/deficit(-)(£m)	0.489	0.000	0.000
Revenue Support Grant (RSG)(£m)	5.704	4.493	3.795
BRR and Top Up grant (£m)	9.763	10.077	10.435
RSD/Transition Grant (£m)	0.249	0.030	0.039
Total Funding (£m)	53.625	53.144	53.973

- 4.4 The table below shows the indicative net budget requirements based on the assumptions above.

	Budget 2017/18 £m	Budget 2018/19 £m	Budget 2019/20 £m
Previous Year's Budget	55.070	53.694	53.687
Less One-Offs	-3.138	-0.906	-0.150
Base Budget	51.933	52.788	53.537
- 2016/17 Pay Award Adjustments	-0.219	0.000	0.000
- Pay Awards	0.602	0.759	0.764
- LGPS Contributions	0.175	0.000	0.000
- Other Inflationary/Contractual Costs	0.198	0.198	0.198
- Transitional Costs	0.968	0.215	0.100
- Efficiencies	-0.351	-0.215	-0.026
- Apprenticeship Levy	0.150	0.000	0.000
- Business Rates	0.136	0.050	0.050
- Other Changes	0.130	-0.108	0.371
Service Budget Requirement	53.694	53.686	54.994

Service Budget Requirement	53.694	53.686	54.994
Less Total Funding	-53.625	-53.144	-53.973
Budget Gap (surplus(-)/Deficit(+))	0.069	0.542	1.021

- 4.5 As can be seen from the table above and assuming a year on year 1.99% increase in Fire Precept (Option 1), there is still an ongoing base budget gap in 2019/20 of around £1.021m. In the medium term we will need to consider the use of our reserves and available resources to provide a sustainable budget position.

- 4.6 The Service will also need to use its revenue balances, transformation reserves and other earmarked reserves to support Service transformation and associated transition costs, i.e. General Balances, Transformation Improvement Reserves, Capital Replacement Reserves and Capital receipts. The table below shows the starting point for general balances, and their expected use.

	Balance B/F 1 April £m	Transfers in/Out £m	Transfers in/Out £m	Balance C/F 31 March £m
General Balances				
2016/17 Opening Balance	6.701			6.701
Less Risk Assessed	-2.500			-2.500
Add transfers to Gen Bals		1.368		1.368
Add underspending 2016/17		3.000		3.000
Less ESMCP & EMR contributions			-1.200	-1.200
Less MTFP Deficits			-0.254	-0.254
2016/17 Closing Balance				7.114
2017/18	7.114		-0.069	7.045
2018/19	7.045		-0.542	6.503
2019/20	6.503		-1.021	5.898

- 4.7 Included in its general reserves and balances is the 2016/17 forecast underspending of £3m, in line with the 2nd Quarter Financial Report presented to the Finance and Audit Committee, largely resulting mainly from difficulties in recruiting and retaining corporate staff to the desired staffing levels, which is now in a stronger position. The impact of this provides some flexibility in use of balances to deliver future efficiency savings and enhance service provision.
- 4.8 The predicted level of underspend for 2016/17, is unprecedented and is therefore not anticipated to occur in the future. Wholtime staffing resources are now closer to establishment, with 20 new firefighters (including four former apprentices) and six new firefighter apprentices joining the Service during 2016/17.
- 4.9 With an increase of just under 2% in the Fire Precept Band D for 2017/18 and the next two years, then our forecast budget gap can be met from general balances. This reduces the level of general balances to just under £5.9m by March 2020.

4.10 The level of general balances allows flexibility and provide opportunities for further transformation and provides the ability to address issues and concerns that will help alleviate pressures and potential risks on the revenue budget:

- On-going annual capital investment beyond 2017/18, as grant funding for capital purposed has ceased.
- The Authority has a property maintenance requirement to address of approximately £3m.
- The impact of the replacement national radios and communication system known as the Emergency Services Mobile Communications Programme (ESMCP) is evolving and as yet it is not clear if there will be any additional costs to the Service.
- The Home Office now has responsibility for the Fire Service and it is not clear how this will affect the funding mechanism for fire, in particular its impact on Business Rates funding.
- We have an ageing workforce, predominantly retained duty system (RDS) based staffing model through the rurality of Dorset and Wiltshire and vacancy management is a significant issue for the Service.
- Sustainability of the RDS (on-call) is becoming more significant as the number of calls reduces.
- The sustainability of our youth intervention initiatives, including salamander, troubled families, SPARC, cadets and Prince's Trust, is at risk due to pressures on partnership funding.
- The Authority has indicated that it wishes to support further apprentices. The cost of 4 apprentices, is approximately £80k-£100k per year.

4.11 The other two options for the level of Fire Precept (i.e. 1% (Option 2) and 0% (Option 3) increases in 2017/18) would also require additional use of reserves and balances and mean increased ongoing base budget deficits rising to £1.4m and £1.8m respectively by the end of 2019/20.

	Option 1 £m (1.99% inc)	Option 2 £m (1% inc)	Option 3 £m (0% inc)
General Balances 1 April 2017	7.114	7.114	7.114
Budget Deficit 2017/18	-0.069	-0.434	-0.800
Budget Deficit 2018/19	-0.542	-0.917	-1.292
Budget Deficit 2019/20	-1.021	-1.405	-1.794
Transfers to Gen Bals 2019/20	0.416	0.416	0.416
General Balances 31 March 2020	5.898	4.775	3.645

- 4.12 What all three options mean over the medium term, and the impact of the forecast surplus or deficit on our overall financial position, is shown in the summary Appendix A.
- 4.13 It is recommended therefore that Option 1 be considered for future sustainability i.e. approve an increase in the Fire Precept Band D of £1.38 for 2017/18.

5. Capital Programme

5.1 Capital Expenditure Summary

- 5.1.1 Draft capital expenditure requirements for 2016/17 to 2019/20 are shown in the table below. The revised capital programme for 2016/17 as approved by the Authority in December 2016 totals £5.423m.

Table: Capital Programme 2016/17 to 2019/20

	Original Budget 2016/17 £m	Revised Indicative Budget 2016/17 £m	Indicative Budget 2017/18 £m	Indicative Budget 2018/19 £m	Indicative Budget 2019/20 £m
Capital Expenditure					
Property/Estates	4.120	1.253	4.690	0.883	0.825
Vehicles	3.611	3.036	5.176	3.767	4.512
Equipment	0.164	0.262	0.225	0.171	0.682
ICT	0.856	0.872	1.069	0.455	0.210
TOTAL	8.750	5.423	11.160	5.276	6.229
Financed by					
Prudential borrowing	-5.023	0.000	-6.607	-5.276	-6.229
Transformation Reserves	-3.727	-0.752	-3.291	0.000	0.000
Capital Receipts	0.000	-1.379	0.000	0.000	0.000
Direct Revenue Financing	0.000	-0.099	0.000	0.000	0.000
Capital Reserves	0.000	-3.193	-1.262	0.000	0.000
TOTAL	-8.750	-5.423	-11.160	-5.276	-6.229

5.2 Property/ Estates - Station Improvements

- 5.2.1 The 2017/18 programme includes the outcomes of a property conditions survey commissioned by the Fire Authority, identifying the property assets in most need of attention now and over the next few years, based on risk and priority.

- 5.2.2 A full fit for purpose review of the combined estate is currently being undertaken and the outcomes will inform future capital budget requirements beyond 2017/18.

Vehicles

- 5.2.3 Vehicles are regularly reviewed and are subject to the long-term vehicle replacement policy. The 2017/18 capital programme includes the replacement requirements for two aerial ladder platform (ALP) appliances (two @ £681k, £1.362m) and seven large fire appliances (two @ £308k, £2.156m). Officers are working up proposals through the IRMP process to determine whether further ALPs will be required to be replaced beyond 2017/18. 2018/19 and 2019/20 include replacements for a further two ALPs, and 19 large pumping appliances respectively. A wider review of fleet will be completed to update the current vehicle replacement plan. Similar to the property estates review, the programme for 2017/18 is based on immediate requirements and future years are likely to changes subject to the reviews.

5.3 Equipment

- 5.3.1 The programme for equipment is made up of Operational Equipment and Personal Protective Equipment (PPE) requirements for the next few years, alongside additional training equipment and equipment for reserve vehicles.

5.4 Information Technology and Communications

- 5.4.1 Ongoing ICT infrastructure requirements to include hardware replacements, radios, mobile data terminals, mobile communications and Incident Assessment Centre equipment.

5.5 Capital Financing

- 5.5.1 Capital expenditure is generally funded by a number of sources, namely capital receipts, direct revenue contributions, specific capital grants and under the capital accounting regime in respect of local authority capital accounting, through as system of prudential borrowing.
- 5.5.2 The Service maintains a capital expenditure reserve at £4.456m as at 1 April 2016. These reserves will be used to help finance the 2016/17 and 2017/18 capital programmes.
- 5.5.3 The system of capital grants within the Fire Service no longer exists, and has been replaced with a capital and revenue grant bidding system open to all FRSs. We anticipate that no capital grants will be available for 2017/18.
- 5.5.4 Any shortfall of funding available to meet the capital programme is made up from prudential borrowing.

- 5.5.5 Prudential borrowing is undertaken usually at the end of the financial year in which the expenditure is incurred, the revenue costs of which are approximately £75k per £1m borrowed (based on interest rate of 3.5% and debt repayment of 4% over a 25-year period). The budget for future years beyond 2017/18, includes provision for prudential borrowing i.e. £6.607m in 2018/19 (in respect of 2017/18 programme), £5.276m in 2019/20 (in respect of the 2018/19 programme), and £6.229m in 2020/21 (in respect of the 2019/20 programme).
- 5.5.6 As capital grant is no longer received to sustain capital expenditure, prudential borrowing will be required beyond 2019/20, and therefore funding through increases in precepts will be required to meet the additional costs of capital borrowing.

6. Reserves and Balances

6.1 General Balances and Reserves

- 6.1.1 General Balances are set aside as a safety net to cover unplanned and unbudgeted costs. The Fire Authority needs to maintain separate reserves and balances to help deal with unexpected contingencies and specific risks that cannot be managed within the annual revenue budget, and to provide a working balance to help manage cash flow fluctuations arising from their normal business activities. An annual review of reserves is carried out as part of the budget setting cycle. Following the latest review, we will be maintaining risk assessed general balances at £2.5m, a prudent level, equating to approximately 5% of the Authority's net budget requirement.
- 6.1.2 General Balances at the start of 2016/17 amount to £6.701m, and section 4.6 above shows how the level of balances would change over the period to 2019/20 assuming Option 1 for the 2017/18 budget is approved. By the end of 2019/20 the level of balances would have reduced to £5.898m. If the Fire Precept is not increased in 2017/18 (Option 3), but is in subsequent years, the level of balances would be reduced to £3.645m (see para 4.11 above).

6.2 Other Earmarked Reserves

- 6.2.1 The Fire Authority has a number of other reserves earmarked for specific purposes.
- 6.2.2 The Fire Authority manages its earmarked reserves to help deal with specific risks that cannot be managed within the annual revenue budget. For instance, this helps provide funds for service transformation, to reduce external debt and for other specific reasons.
- 6.2.3 Further detail regarding earmarked reserves is provided in the attached MTFP, Appendix B.

7. Summary

- 7.1 Following the budget seminar held on 29 November 2016, the approval of the finance principles by the Policy and Resources Committee and the announcement of the provisional finance settlement on 14 December, this report outlines the indicative revenue and capital budget proposals for 2017/18. The report highlights that over the next three years, based on our assumptions, reserves and balances will need to be used in order to balance and continue the transformation programme. This is clearly shown in the attached Appendix A.
- 7.2 The spending requirement has been established at £53.694m for 2017/18. A net budget requirement is established at £53.625m to include a contribution from balances of £69k. In order to meet the budget requirement and taking into account the level of Government funding in the finance settlement, precept funding through Option 1, i.e. increase the Fire Precept Band D by £1.38 to £70.59 (an increase of 2.6p per week per band D household) for 2017/18 is the recommended option. This is the most sustainable option, as ongoing base budget deficits with other options will require further significant budget reductions beyond 2019/20.
- 7.3 Capital programme requirements for 2017/18 equate to a £11.160m, which will be funded through prudential borrowing (£6.607m), transformation grant for the safety centre programme (£3.291m) and Capital Reserves (£1.262m).
- 7.4 We have a low Fire Precept Band D well below the national average. With an increase in Fire Precept band D of 1.99% or £1.38 for 2017/18, we will have a manageable ongoing budget deficit. We are able to invest in addressing our property maintenance backlog as well as investing in RDS, expanding the salary scheme to make it sustainable in the medium to longer term and improve our ability to retain our valuable members of staff. Our continued focus on delivering effective prevention arrangements is a critical part of our Community Safety Plan. The increase in the precept will also allow us to reinforce the arrangements and put extra resources into areas where we are unable to improve our response arrangements due to prohibitive costs. We will also be able to continue to use our brand and reputation to contribute towards achieving wider partner outcomes that will positively benefit all of our communities.

BENJAMIN ANSELL

Chief Fire Officer

January 2017