

CAMBRIDGESHIRE AND PETERBOROUGH FIRE AUTHORITY
EFFICIENCY PLAN 2016 - 2020

Table of Contents

About the Plan 3

Four Year Plan 3

Funding Assumptions..... 4

Budget Assumptions5

Service Efficiency Programme..... 6

Collaboration 6

Performance Information 7

Use of Reserves..... 7

Progress of the Efficiency Plan..... 8

About the Plan

The Efficiency Plan sets out how the Authority plans to improve the service it provides whilst managing with reduced real-term funding levels. This document contains links to other relevant documents and websites and should be read in conjunction with those.

Four Year Plan

The Authority's strategy for the provision of fire and rescue services for the next four years is driven by the approved Integrated Risk Management Plan 2015-2019 (IRMP), which can be viewed at: <http://www.cambsfire.gov.uk/IRMP%20report%20A4%20for%20website%202016-17.pdf>

The IRMP details how we will engage with the communities of Cambridgeshire to ensure we are responsive to their ever changing needs. The IRMP details the activities that we plan to engage in to reduce the risks within our communities.

Funding Assumptions

The following table sets out the assumptions the Authority is making about funding up to 2019/20. The Government has offered authorities a guaranteed four year funding settlement in order to provide increased certainty and to aid planning. However this only guarantees the minimum amount of revenue support grant (RSG) receivable. Business rates receivable are not guaranteed and are subject to volatility depending on factors such as the level of growth and appeals against valuations.

Settlement Funding Assessment <i>(All figures are £000 unless stated)</i>	2015-16	2016-17	2017-18	2018-19	2019-20
Baseline Funding - Business Rates / Top Up					
RSG					
Settlement Funding Assessment Total	11,633	10,741	9,587	9,020	8,810
Council Tax Forecast					
Band D Council Tax (£)	£64.26	£65.55	£66.86	£68.19	£69.56
Actual / Assumed Council Tax base increase on previous year	265,892	271,265	274,611	277,984	281,248
Yearly Council Tax Precept Increase		349	360	372	384
Collection Fund (council tax & business rates)		694	579	597	606
Estimated Total Council Tax Income	17,086	17,780	18,359	18,957	19,563
Council Tax Band D Precept Increase (%)		2%	2%	2%	2%
Growth in Council Tax Base Yield to Previous Year (%)			1%	1%	1%
TOTAL					

The level of RSG the Authority receives will decrease by 65% between 2015/16 and 2019/20. This represents a significant shift in Government policy as they now expect local authorities to increase council tax to support their activities. This fundamental shift in policy and the Government expectation that council tax will increase in line with their inflation targets, has resulted in an annual increase of 1.99% being forecast.

Budget Assumptions

The following table sets out the expected costs pressures facing the Authority alongside other income it expects to receive.

	Estimate	2016/17	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	Incr. %	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000		£'000	£'000	£'000	£'000	£'000
Budget (previous year)	28,719		28,453	27,849	27,934	28,326	27,768
Wholetime Firefighters Pay	110						
Retained Firefighters Pay	23						
Fire Control Pay	15		0	0	0	0	0
Local Government Employees Pay (LGEs)	97		0	0	0	0	0
Insurance	-1						
Other Price inflation	-36						
Inflation	208	0.7%	284	279	280	284	277
LGE Staff	188						
Control Room Staff	15						
Firefighters	-140		0				
Operational Activity	127		0				
Capital Charges	-80		-6	12	48	0	0
Additional Govt Grants	-86						
Other	50		11	11	11	0	0
Budget Variations	74	0.3%	5	23	59	0	0
Service Pressures/Efficiency Savings							
Budget Holder Savings	-548	-1.9%	-893	-217	53	-842	-214
Service Pressures/Efficiency Savings	-548	-1.9%	-893	-217	53	-842	-214
Budget Requirement	28,453	-0.9%	27,849	27,934	28,326	27,768	27,831
Less:							
RSG	-5,080		-3,800	-3,140	-2,750		
Top-up Grant	-2,060		-2,110	-2,170	-2,240	-3,816	-3,251
National Non-domestic Rates	-3,540		-3,600	-3,710	-3,820	-3,858	-3,897
Fire Authority Precept	17,773		18,339	18,914	19,516	20,094	20,683
Tax Base	271,265		274,611	277,984	281,248	284,060	286,901
Band D Tax	£65.52		£66.78	£68.04	£69.39	£70.74	£72.09
Year on Year Increase	1.96%		1.9%	1.9%	2.0%	1.9%	1.9%

Within employee costs there are a number of cost pressures that are outside of the Authority's control, primarily related to pension valuations and legislative changes. These increase the level of savings that the Authority is required to find between now and 2019/20. As well as cost pressures relating to general inflation, the Authority also faces increasing costs as it seeks to broaden the range of services it is able to offer to the public. There is also an increased focus on prevention work.

The income receivable by the Authority is currently projected to be stable over the medium term, although there is currently a high risk that this may reduce significantly depending on the outcome of the National Resilience review. This funding is receivable within the Fire Revenue Grant and should the grant be cut significantly then it is likely that cuts to the service will be required.

Service Efficiency Programme

Our current programme includes but is not limited to the following examples of where we have or expect to make savings:

- Senior Officer restructure £261k
- Reduced capital funding £100k
- Reduction of the On Call budget £301k
- Reduction in training and community fire safety £65k
- Removal of a health and safety post £15k.

Collaboration

The Authority is committed to increasing collaboration with the police and other local public sector partners. We have formal agreements with Bedfordshire Fire and Rescue Service for an ICT Shared Service and a shared Principal Officer Command rota. In addition, we have a Combined Fire Control with Suffolk Fire and Rescue Service.

The Service has a programme focussed at looking at collaboration opportunities with Cambridgeshire Constabulary. In addition to this, we share a number of our operational premises with the police and are creating a new Joint Fire and Police Station in Wisbech. Attached as appendix 2 is a comprehensive list of all other major collaboration undertaken by the Service with our public sector partners.

Performance Information

The Authority is compliant with the Local Government Transparency Code and is committed to the publication of transparent performance information including but not limited to:

- Budget monitoring reports (revenue, capital and treasury)
- Statement of Accounts
- Annual Governance Statement
- Statement of Assurance.

Use of Reserves

Reserves are an essential part of good financial management. They allow authorities to manage unpredictable financial pressures and plan for their future spending. The level, purpose and planned use of reserves are important factors for members to consider in developing medium term financial plans (MTFP) and setting annual budgets. Reserves are held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves
- a means of building up funds (often referred to as earmarked reserves) to meet known or predicted requirements.

Within the existing statutory and regulatory framework, it is the responsibility of the Chief Finance Officer to advise the Authority about the level of reserves that it should hold and to ensure that there are clear protocols for their establishment and use.

The projected balance of reserves for the period is shown in the following table.

Estimated Financial Reserves Levels (All figures are £000 unless stated)	2016-17	2017-18	2018-19	2019-20	2020-21
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General Fund Balance	2,348	2,348	2,348	2,348	2,348
Earmarked General Fund Reserves	11,868	10,768	3,768	3,768	7,268
Use/Return of Earmarked Reserves	(1,100)	(7,000)		3,500	

The major commitment for the Property Development Reserve is the new 'Huntingdon Hub' project that will merge the existing Huntingdon station, training centre and Headquarters onto a single site. This fund will finance the upfront cost of the new site. The existing sites will be sold or redeveloped once the new site is fully operational. The table above assumes an income figure for both sites based upon market valuations. If not used for the 'Huntingdon Hub', the reserve will be used to support the Authority's capital programme.

Progress of the Efficiency Plan

The Authority commits to publishing an annual report on the progress of the Efficiency Plan. This will be published alongside our annual Statement of Assurance on our website.