

TO: Policy and Resources Committee

FROM: Deputy Chief Executive Officer - Matthew Warren

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DATE: 22 September 2016

GUIDANCE ON FOUR YEAR SETTLEMENTS

1. Purpose

- 1.1 To present the Policy and Resources Committee with an Efficiency Plan for approval.

2. Recommendation

- 2.1 The Committee is asked to make comment and approve the draft Efficiency Plan attached at Appendix 1.

3. Risk Assessment

- 3.1 **Economic/Political** – there continues to be a push to drive efficiency across the public sector. The proposal to introduce an efficiency programme linked to known grant income is key to the current settlement. There is a risk that should the Authority not sign up to the four year settlement its grant income could change.

4. Background

- 4.1 The Draft Revenue Support Grant (RSG) settlement was received on 20 December 2015. The settlement offered the opportunity for all local authorities to accept a four year settlement, provided an efficiency statement for the same period was submitted and approved by the Treasury. At the time no detail was provided as to what would be an acceptable efficiency statement.
- 4.2 the Department of Communities and Local Government (CLG) published guidance in March 2016 on how the four year financial settlements promised in the previous December would operate. Additional guidance for single purpose Fire Authorities was received from the Home Office on 1 August 2016. Whilst there will be no formal sign off of the statement, the Home Office is requesting that a copy of it is submitted to them by 14 October 2016.

- 4.3 The only condition that is attached to the four year offer is that we must publish an efficiency statement. This can be combined with the Medium Term Financial Strategy (MTFS) and transformation programmes, such as the comprehensive spending review project we are currently formulating.
- 4.4 In addition, it is highlighted that all Fire Authorities should clearly set out how they will collaborate with the Police and other partners to improve their efficiency.

5. The Efficiency Statement

- 5.1 The Draft Efficiency Plan at Appendix 1 draws on key information contained within the MTFS, approved by the Authority in December 2015.
- 5.2 The MTFS for 2016/17 to 2019/20 contained many assumptions about housing growth, council tax and government funding. All of these assumptions are built into the efficiency statement template. The key assumption for members, particularly for financial year 2017/18, is that council tax will again rise by 2%. This principle is based on the assumption from Government, included within the settlement, that there is an expectation of local tax rises and over the duration of the Parliament there will be less reliance on central grant funding.
- 5.3 If this assumption is accepted, subject to full Authority approval in February 2017, the Service is close to being in a position of balancing the budget for 2017/18. The position for future financial years is less clear and reserves will play an important part in future funding as we make progress with our change programme.
- 5.4 The final key aspect to highlight is the requirement to provide a detailed statement of our collaboration activity.

BIBLIOGRAPHY

Source Document	Location	Contact Officer
Fire Authority Estimates 2016/17	Hinchingbrooke Cottage Brampton Road Huntingdon	Matthew Warren 01480 444619 matthew.warren@cambsfire.gov.uk