

**TO:** Cambridgeshire and Peterborough Fire Authority

**FROM:** Deputy Chief Executive Officer - Matthew Warren

**PRESENTING OFFICER(S):** Deputy Chief Executive Officer - Matthew Warren  
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## **DRAFT FIRE AUTHORITY BUDGET 2020/21**

### **1. Purpose**

- 1.1 The purpose of this report is to present the Fire Authority with the proposed budget and precept for 2020/21.

### **2. Recommendations**

- 2.1 The Authority is asked to review the budget book attached at Appendix 1 and approve the recommendations detailed on Page 18 within it.
- 2.2 The Authority is also asked to note the services intended participation in a scheme to reduce council tax fraud.

### **3. Risk Assessment**

- 3.1 **Economic/Political** – the efficiency plan was approved and the current comprehensive spending review period cuts are forecast to be achieved. The budget will need to be set at a level that falls within the efficiency plan and keeps council tax increases within defined capping limits.

### **4. Background**

- 4.1 The Service received its draft settlement for 2020/21 on 21 December 2019. The draft Authority budget was presented to the Policy and Resources Committee for endorsement in December 2019; the Committee endorsed the proposed budget and associated precept increase of 2%.
- 4.2 The Authority has also agreed to participate in a Business Rates Pooling arrangement for 2020/21. The baseline level for funding remains as is but the Authority may benefit from increased business rate yields, should districts be successful in attracting new business into their areas. The additional benefit for the Authority is not material so has not been included within the baseline funding assumptions.

- 4.3 A consultation process on the proposed council tax increase has been undertaken and feedback from this process will be presented orally at the Authority meeting.

## **5. Budget Considerations**

- 5.1 The budget has been built including an additional burden for the Authority associated with the changes to the Firefighter Pension Scheme SCAPE (superannuation contributions adjusted for past experience) rate. This change has resulted in an increase in the employer contribution rate to 30.2%. Whilst the Treasury has provided the Authority with a Section 31 grant to cover some of this burden, the grant of £1.144m continues to leave the Authority with a gap of £290k. The budget attached shows this pressure funded by using the Pension Reserve. At this stage it is still not known how the gap will be funded in the future although it is hoped that it will be wrapped up with the comprehensive spending review process later this calendar year.
- 5.2 Pay inflation has been forecast at 2% for the next financial year. However the actual inflation figure will be subject to negotiation with the various representative bodies so may change.
- 5.3 The detailed budget build, included on pages 21 and 22 of the budget book, provides a line by line breakdown of the proposed budget, showing the current year budget and the proposed 2020/21 budget.
- 5.4 Attached at pages 19 and 20 of the budget book are the detailed capital budgets for 2020/21. The major change for 2020/21 is the purchase of two new aerial appliances. However there was an assumption made within the capital programme, approved in February 2018 that they would be ordered in separate financial years. This method of implementation will cause operational training challenges and therefore the purchase of the second appliance has been brought forward from 2023/24. To enable this to be funded from next year's capital programme the purchase of three new rescue appliances has been deferred whilst a formal review of the new smaller appliances is undertaken. The replacement of the first appliance is in the current financial years' capital programme that will be slipped into 2020/21.

## **6. Council Tax Fraud Reduction Initiative**

- 6.1 The County Council will shortly commence and lead a project to reduce council tax fraud across the county. It is anticipated that there will be a significant benefit for all authorities in return for the upfront investment. The fire proportion of the investment is currently £10k, with an estimated increase in council tax yield of £50k, resulting in a net benefit of £40k. The contribution will be made from the Authority's General Reserve.

## BIBLIOGRAPHY

Source Documents	Location	Contact Officer
Budget Preparation Papers 2020/21	HQ Hinchingsbrooke Cottage Brampton Road Huntingdon	Matthew Warren 01480 444619 <a href="mailto:matthew.warren@cambsfire.gov.uk">matthew.warren@cambsfire.gov.uk</a>