

Stoke-on-Trent and Staffordshire Fire and Rescue Authority Periodic Report of the Chairman on Authority Matters

Revenue Budget and Council Tax Setting for 2018/19

1. The Authority has set a Revenue Budget requirement for 2018/19 of £40.216m, which incorporates the Settlement Funding of £14.792m, and the Council Tax requirement of £25.424m.

This Settlement Funding Assessment for 2018/19 was broadly in line with the original 4-year settlement covering the period from 2016/17 to 2019/20. The budget for 2018/19 is the third year of the settlement period and the Authority's approved Efficiency Plan. The Settlement Funding for 2018/19 includes a reduction in Revenue Support Grant (RSG) of c.£1.0m as part of the overall £4.8m reduction during the period 2016/17 to 2019/20. RSG is forecast to be reduced to £4.6m by 2019/20, a reduction of 65% (£9m) from the level received back in 2012.

The Authority has agreed an increase in Council Tax of 2.75% which will increase the annual Band D Council Tax by £1.97 to £73.53 (an increase of 4p per week).

The budget process for 2018/19 involved full consultation with budget holders and was calculated from a zero base. Where possible all recurring efficiencies and savings achieved to date have been incorporated into the base budget. The budget also assumes and recognises the costs pressures that are currently in place, which includes pay inflation (following the removal of the public sector pay cap), business rates, increasing level of general inflation, and the revenue consequences of capital spend and impact upon future borrowing requirements.

The Authority, in the last four years, has fully funded the capital programme from savings and reserves, this has successfully reduced the Gross Debt of the Authority by more than by £5m. The Medium Term Financial Strategy (MTFS) is balanced by 2020/21 and assumes a further 2.75% increase in Council Tax for 2019/20. The Authority has demonstrated that it can deliver savings through economy and delivery of significant efficiencies but there will be more austerity to 2020. The budget will further protect the safety of communities and firefighters by reducing the saving requirements for the next two years to £1.3m (£0.8m 2018/19 and £0.5m 2019/20). The total savings over five years of the MTFS is now estimated at £1.8m.

The Service has now re-established a Transformation Support Team that will be reviewing the options available during the next two years using a Systems Thinking approach. This will ensure that the overall purpose of the Service remains central to any changes to operational or support services structures.

The Authority closely monitors and controls the budget via regular updates to the Strategy and Resources Committee, and internally publishes monthly Resource Control Reports and Finance News updates.

The Authority noted the comments made by the Treasurer, in respect of the adequacy of reserves and the robustness of the budget, when considering the budget and Council Tax recommendations. The Council Tax increase falls below the referendum limit. The Authority has thanked the Treasurer and the Finance Team for the work that they have undertaken in producing the budget.

Safe+Sound Approval

2. The Authority has been advised that confirmation has been received from the Home Office that approval has been given for the Service to proceed with the Safe+Sound project. An update report will be brought to the Authority's meeting on 29 March 2018.

S J Sweeney
Chairman

D M Jellyman
Vice Chairman