

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 19 September 2016

FOUR YEAR SETTLEMENTS

(Appendix 1 refers)

Contact for further information:

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Executive Summary

As part of the Local Government Finance Settlement the Secretary of State announced an offer of four year funding settlements for local authorities in return for publishing an efficiency plan.

The report recommends accepting this offer, thereby giving greater certainty to future funding levels and enhancing financial and service planning.

Recommendation

The Authority is asked to determine whether they wish to apply for four year funding and to approve the draft efficiency plan attached as appendix 1.

Information

The draft four year settlement included in the Local Government Finance Settlement identified a reduction of £1.8m for the current year, with further reduction of £ 3.7m over the next three years:-

		Reduction	
2015/16	£29.4m		
2016/17	£27.6m	£1.8m	6.4%
2017/18	£25.3m	£2.3m	8.3%
2018/19	£24.3m	£1.0m	3.8%
2019/20	£23.9m	£0.4m	1.6%
		£5.5m	18.7%

As part of the Settlement the Secretary of State announced an offer of four year funding settlements for local authorities, in order to help authorities plan ahead, subject to the Authority wishing to pursue this and the submission of a suitable efficiency plan.

Subsequent to this the Secretary of state had re-affirmed that the offer of four year settlements is unaffected by the budget cuts announced earlier in the year. However it is possible that other changes may arise in the future which could impact upon it.

Furthermore, whilst it is not clear what the impact would be of not accepting this offer the Secretary of State has re-iterated that he 'cannot guarantee future levels of funding' for councils which declined to submit an efficiency plan, thereby rejecting the four-year settlement. Based on this it is hard to see any scenario whereby those authorities who do not accept the offer subsequently recover an enhanced settlement.

As such it is recommended that the offer is accepted as it provides an element of certainty, which from a financial and service planning perspective is a significant improvement on the previous short term nature of settlements.

In order to apply for the Four Year Funding Settlement we need to publish a robust, transparent and local owned efficiency plan. Limited guidance has been provided which requires the plan to:-

- be published and easily accessible to the public on the fire and rescue authority's website, clearly stating what it contains;
- include the full 4 year period to 2019-20, and be open and transparent about the benefits the plan will bring to both the fire and rescue authority and the local community;
- demonstrate the level of cashable and non-cashable savings you expect to achieve through the Spending Review period, the timetable for delivery, and key risks and mitigation strategies;
- include the approach to increasing collaboration, including with the police and local public sector partners and in relation to procurement;
- demonstrate how more flexible working practices will be achieved, including more effective utilisation of retained firefighters;
- include a commitment to the publication of transparent performance information;
- include a clear strategy for the use of reserves; and
- include a commitment to publishing annual reports on the progress of the efficiency plan alongside the fire and rescue authority's statutory assurance statement, enabling local people to scrutinise progress.

As such a draft efficiency plan has been produced, and is attached as appendix 1. This plan is based on the medium term financial strategy included as part of the February budget setting exercise.

The deadline for an application is 14 October 2016.

Financial Implications

None at this stage, although clearly the decision as to whether to apply or not will impact on future funding levels.

Business Risk Implications

Securing a four year funding settlement provides greater certainty in terms of financial planning for the Authority, thus minimising the risk of a further significant unexpected cut in funding

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact
None		
Reason for inclusion in Part II, if appropriate:		