Medium Term Financial Strategy
(How we ensure good financial health)

Simon Allsop
Director of Finance/Treasurer
OUR BUDGET 2018/2019
(2017/2018 actuals in brackets)

BUDGET 2018/19
£38.5m
(Actuals 2017/18 £37.9m)

Funded by

CONTRIBUTION TO CAPITAL AND RESERVES
£0.4m (£1.6m)

EMPLOYEE COSTS
£28.9m (£27.3m)

BORROWING COSTS
£1.3m (£1.3m)

COUNCIL TAX
£23.5m (£22.4m)

REVENUE SUPPORT GRANT
£0m (£5.6m)

NNDR*
£14.4m (£9.1m)

OTHER INCOME
£0.6m (£0.8m)

ICT
£1.6m (£1.3m)

SUPPLIES & SERVICES
£2.0m (£2.1m)

TRANSPORT COSTS
£1.4m (£1.4m)

PREMISES COSTS
£2.9m (£2.9m)
The future?

Cuts to unprotected departments in 2019–20: £4bn
Planned RDEL cuts 2019–20 to 2022–23: £2bn
Overseas aid and defence 2019–20 to 2022–23: £0.6bn
Implied cuts to unprotected areas by 2022–23: £18.6bn

National Issues

Pensions
Increased Funding for the NHS

Emergency Services Mobile Communication Programme

The Hackitt Review
Independent Commission on LG Finance
Reform of the Fire Service

Business
Rates Retention
The National Living Wage
Funding Reform
Fire Firefighter Pay
Police and Fire Collaboration

Local Issues

Collaboration
Joint headquarters
Integrated Risk Management Plan
Tri Service
Moorland Fire

Transfer to the Home Office
Inflation
New tax risks

The Devolution Agenda
Business Rates Pool

Fair Funding Review delay
Localisation of Support for Council Tax
Britain voting to leave the EU
Broadening the Firefighter Role Map

Health and Wellbeing Agenda
Multi-year Settlements?
Apprenticeship Levy
Austerity

DPFP LLP
What could it all mean?

Deficit

C. £1.5m  
Sun  
Flat overall position

12.6% increase in employer pension contributions from 19/20 with partial support from HMT = £0.2m extra

C. £1.7m  
Cloud  
4% increase in employer pension contributions from 19/20 = £0.6m extra

C. £2.1m  
Sad Cloud  
4% increase in employer pension contributions from 19/20 and further 6% from 20/21 = £1.5m extra by 20/21

C. £3m  
Rainy Cloud  
4% increase in employer pension contributions from 19/20 and further 6% from 20/21, 6% Grant cut 20/21 and 3% pay award = £2.5m extra

C. £4.0m  
Confused Cloud  
18% Grant cut 20/21-22/23, 10% increase in employer pension contributions from 19/20 and 3% pay award = £4.1m extra

C. £5.6m  
Crying Cloud  

How do we deal with it?
We have an average Band D Council Tax charge and increased it by 3% last year in line with other Authorities…

Annual increased cost to a band D taxpayer of a 1-3% rise
1% 72p
2% £1.45
3% £2.18
Have we spent the extra 1% Council Tax?

1% Council Tax - **Yes** – 3 Business Safety Advisors and 4 CSO’s in place

<table>
<thead>
<tr>
<th>Annual increased cost to a band D taxpayer of a 1-3% rise</th>
<th>£200k</th>
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<tr>
<td>1% 72p</td>
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<td>2% £1.45</td>
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Have we spend the extra Business Rates money?

£750k available

Spent on:

£550k - Supporting and sustaining the vital Community Safety and Safe and Well checks undertaken by the Fire and Rescue Service;

£200k - Continuing to support the Sprinkler installation programme across the County in line with the ‘Homes for Life’ initiative, working in partnership through match funding from District Councils.

Ensuring we can still resource our Prevention and Protection responsibilities!
Still delivering VFM!

VFM = Outcomes/cost of inputs

- 417 accidental dwelling fires were attended in 2017/18, the second best annual outcome since IRS records began.
- 5th lowest within FG4 for all fires attended per 10,000 population.
- Top of FG4 with the lowest number of fires in non-domestic premises (per 1,000 premises).

High performing

12,000 SWCs were completed, of which 92% were delivered to persons classified as vulnerable.

Low unallocated Reserves

Low spend

Derbyshire Fire & Rescue Service
Making Derbyshire Safer
Still spending our reserves on the fundamentals but will have to borrow..
Still saving but getting harder...

£9.1m saved so far

*To be updated after settlement announcement

Derbyshire Fire & Rescue Service

Making Derbyshire Safer
What's next?

- Settlement announcement at some point next week!
- Pensions pressure c.£400-£500k
- More challenge...Home Office demand review?
- Budget consultation!
Financial Stress

• Warning signs
  - Running down reserves
  - Failure to plan and deliver savings in service provision
  - Shortening medium-term financial planning horizons
  - Greater gaps in savings plans
  - More frequent unplanned departmental overspends
  - Carrying forward undelivered savings targets
Warning Signs of Hypothermia

- Confusion
- Shivering
- Difficulty Speaking
- Sleepiness
- Stiff Muscles

weather.gov/winter