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Date 14 November 2022

To: Members of the Fire and Rescue Authority
cc: Appropriate Officers

SOUTH YORKSHIRE
FIRE & RESCUE AUTHORITY

Sarah Norman, *Clerk*
Neil Copley, *Treasurer*

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Dear Member

<u>SOUTH YORKSHIRE FIRE AND RESCUE AUTHORITY</u>
<u>21 NOVEMBER 2022</u>

Please find enclosed the item marked "to follow" on the agenda for the meeting of the Fire and Rescue Authority on Monday 21 November 2022.

Yours sincerely

M. Bray.

Mel Bray
Senior Democratic Services Officer

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SOUTH YORKSHIRE FIRE AND RESCUE AUTHORITY

MONDAY 21 NOVEMBER 2022 AT 10.00 AM IN THE COUNCIL CHAMBER, TOWN HALL, CHURCH STREET, BARNSLEY, S70 2TA

AGENDA   Reports attached unless stated otherwise

SOUTH YORKSHIRE FIRE & RESCUE AUTHORITY

Meeting	**SOUTH YORKSHIRE FIRE & RESCUE AUTHORITY**
Meeting Date	**21 NOVEMBER 2022**
Report of	**CLERK AND TREASURER**
Report Sponsor(s)	**CHIEF FIRE OFFICER AND CHIEF EXECUTIVE**
Subject	**MEDIUM TERM FINANCIAL PLAN 2023 – 2026**

EXECUTIVE SUMMARY

This report provides an insight to the likely financial position of South Yorkshire Fire and Rescue (SYFR). We still await the Government's Spending Review and financial settlement for stand-alone Fire and Rescue Authorities (FRAs) which should be known by December 2022. The proposed 2023/24 Annual Revenue Budget and Council Tax Setting report is due to be considered by the Fire and Rescue Authority on the 20 February 2023.

Since the last budget report (February 2022), work has been progressing on reviewing the financial planning assumptions in the Medium Term Financial Plan (MTFP) for the period through to 2026. This has been done alongside the Fire Spending Review Proposal which was a collaborative submission from the Local Government Association (LGA) and the National Fire Chiefs Council (NFCC). The base case for this submission focussed on three key elements:

- Securing inflationary increases to Fire and Rescue Services (FRS) funding to maintain firefighter numbers;
- Highlighting the significant cost pressures across the FRS sector; and
- Improvement in activity arising from the Grenfell Tower inquiry and other recommendations.

The country is facing extremely difficult economic times with rising inflation, interest rates and the general cost of living crisis. The financial impacts across English FRSs are estimated to be c£145m, mainly as a result of agreed pay awards and significant increases in utility and fuel costs. This does not include the current pay negotiations with regards to firefighter pay, which, if not resolved, could result in Industrial Action.

The government has given no indication that these unavoidable cost pressures will be supported, through increases in central funding or the flexibility in the annual precept increase. In fact, Government have already announced that there will likely be a series of tax rises and public spending cuts to help balance the national spending deficit. As a result, there is a serious risk that future funding will not match rising costs.

By the time the budget report is considered formally by Members, the spending review will have been announced (expected December 2022) and the actual funding position will be more certain. However, the uncertainty surrounding costs is likely to continue throughout 2023 and into 2024.

The current MTFP, agreed by the Authority in February 2022, was 'cautiously optimistic' and did anticipate some of these financial pressures. The FRA agreed the set aside of an emerging risk reserve. It is highly likely that a call on this reserve will be required during the current (2022/23) financial year, mainly due to unforeseen cost increases in fuel and utility bills.

However, the FRA also agreed to make some prudent and sensible investments in priority service areas, such as:

- Recruitment of firefighters to enable the Service to match its operational strength to its establishment posts and optimise fire engine availability on more occasions;

- Business Fire Safety – we have invested in additional posts to ensure we are able to deal with the extra demands placed across all FRSs in this area;

- Community Safety Partnership Team – we have established these posts after successful trials to ensure we are working effectively with partners to better identify vulnerable residents and groups and to provide more targeted risk reduction activity; and

- Continuing to invest in our infrastructure and assets e.g. new fire engines, new firefighting kit and equipment to ensure we have the best available equipment to keep firefighters safe.

Another cost pressure is the rising interest rates that is affecting our planned investment in new and much needed infrastructure and assets. Over the last five years, the Service has been able to use its own reserves to fund such investments, but this will not continue meaning the Service will need to borrow more money to finance these investments unless the government makes available significant capital grant funding, which seems extremely unlikely.

Due to the extraordinary and challenging circumstances facing public service finances, SYFR has set a series of funding scenarios within this current MTFP. These scenarios, as previously covered, are based on an unknown government and local funding position. What we now anticipate is that the service will transition from a period of underspending against budget, to operating a budget deficit. This, in the short term can be absorbed through the use of reserve funds that have been set aside for emerging risks. However, moving forward, the Authority will need to be aware of the potential that the Service will need to generate efficiency options to manage any medium to long term funding shortfalls. However, until the funding settlements are known, the Service will continue to progress with its current investment plans, as approved by the SYFRA in November 2020 and November 2021.

Inevitably, the financial position facing the Service will be an evolving and iterative picture as the outcomes and implications from a number of significant events emerge. The Service will provide Members with an updated MTFP, should the need arise, once the Home Office/Department for Levelling Up, Housing and Communities (DLUHC) has announced the outcomes from its funding allocation process. This will be shortly followed by the Annual Budget and Council Tax Setting Report to Members in February 2023.

SYFR continues to be committed to providing the best possible service to the people of South Yorkshire within the resources available to it. Decisions regarding the Community Risk Management Plan (CRMP) are determined by fire risk, but ultimately they need to be affordable and on a sustainable basis thus ensuring that there is proper alignment of financial plans with operational and resourcing plans.

RECOMMENDATIONS

Members are recommended to:

a) Accept the updated MTFP for the financial years 2023/24 to 2025/26 noting the contents of this report, and in particular the likely implications of the different funding scenarios for the operational service and future financial position;

b) Endorse the proposed approach for managing reserves as set out in Section C to this Report;

c) Note the up to date approved capital investment programme spending and financing projections 2023/24 to 2025/26 (Section D);

d) Agree to consider new, additional capital investment schemes for approval into the current capital programme as part of the 2022/23 Budget and Council Tax Setting Report (Section D); and

e) Note the known financial risks, uncertainties and events that will need careful consideration and management in the run up to and when setting the 2023/24 Budget and Council Tax (Section E) and beyond this date.

CONTENTS

Main Report

BACKGROUND AND CONTEXT

1. The MTFP sets out the framework for understanding the strategic, service and financial challenges SYFR faces. It is a key part of the Authority's Budget and Policy Framework intended to ensure that financial resources are aligned towards the delivery of SYFR's future objectives and priorities, and ensuring its medium and longer term financial sustainability. In refreshing, the MTFP this current iteration not only moves forward the financial forecasts in light of recent national developments and local circumstances, but also includes the effects of the Service's ongoing and rolling budget and workforce planning processes.

2. As always, it is important to recognise that the Plan will need to be kept under continuous review given the pace of change, not only at a local level, but also at a national and international level and in particular for the following reasons:

   - Significant economic uncertainty currently being experienced is likely to prevail throughout 2023 and well into 2024.

   - Considerable uncertainty still exists about the future of the local government finance system, in particular the extent to which business rates funding will be retained locally;

   - The possibility that council tax 'excessiveness rules' applying to Fire and Rescue Services (FRS) may be given flexibility to allow for a £5.00 increase in 2023/24. This was given, in 2022/23 to the Services in the lowest quartile of precepts. A 2% increase in Council Tax has been assumed across the remaining years;

   - Further and future consultation on the national funding formulae which determines the share of the public finances that FRSs will be allocated and its subsequent distribution to local FRSs, like South Yorkshire;

   - The impact of the Government Actuary's Department (GAD) actuarial valuation of the public service pension schemes, including that for firefighters. Indications are that these valuations will continue to lead to a sharp rise in employer contribution rates and there are also a number of high profile legal cases that will add further cause for concern e.g. Immediate Detriment;

   - Potential impact of the ongoing national pay dispute with the Fire Brigades Union (FBU); and

   - The outcomes and implications arising from the Grenfell Tower and Manchester Arena Inquires, the next round of the His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection regime and the soon to be published State of the Fire Service 2021/22 report.

3. This report sets out in turn the developments relating to resource and spending projections since setting the 2022/23 budget in February 2022. In particular, it takes cognisance of the likely impact of the above factors, as well as the progress made by the Service in taking forward an updated Community Risk Management Plan (CRMP) 2021-2024, a refreshed Service Improvement Planning process and a new Annual Service Plan that confirms short-term planning priorities.

4. The updated MTFP covers the period up to 2025/26. Based on current assumptions highlighted in this report a gap in resources of £7.3m is projected for 2023/24. These assumptions may improve but may also worsen.

5. Due to the wide variation in potential funding scenarios, SYFR will have to be adaptive to the financial outlook once it is confirmed. A more positive financial outlook will allow SYFR to continue making sound investments in key areas of the services whilst continuing to seek relevant efficiencies when appropriate. However, a more pessimistic financial outlook will require the Service to deliver more significant efficiency savings to move forwards with a balanced budget. These cost savings will be generated through an efficiency options exercise that will be informed by the financial picture once this emerges.

SECTION A: CURRENT FUNDING ASSUMPTIONS

Funding from Government

6. SYFR receives an annual Settlement Funding Assessment via the DLUHC. This settlement is composed of Revenue Support Grant (RSG), Business Rates Top-Up Grant, the Government's projection of the Service's 1% share of the business rates income raised in South Yorkshire and any Section 31 Grant monies. In addition, the Home Office funds the unreasonable cost element of the firefighter pension superannuation costs in the form of a direct grant.

7. The Government are to announce an Autumn Statement on the 17th November. Whilst this will not provide any clear certainty on the Authority's funding position for 2023/24 and beyond, it will highly likely give some indication of any cuts in public sector spending.

8. The actual funding settlement for the Authority is likely to be announced in late December 2022. This will provide details of the funding for next (2023/24) financial year however, it remains unclear at this stage whether this will be a 1, 2 or 3 year settlement. In fact, settlements in the previous three years have been one year only. As in previous years the assumptions made have been assessed on a scenario basis to reflect the uncertainty around likely funding going forward. These are outlined in more detail at paragraph 27 but, for the purpose of this section, the 'most likely' scenario has been used for rolling forward the forecast.

8. For the period 2023-26 the 'most likely' scenario assumes the following:-

- Business Rates Top Up and Section 31 grants are based on 2022/23 levels for the planning period (i.e no assumption has been made for inflationary increases as in previous years);

- All other grant funding (i.e. RSG, Pensions) is based on a cash standstill basis for 2023-26, with the exception of the Service Grant, which has been reduced to reflect the removal of the National Insurance Levy grant given in 2022/23;

- Business rate retention (including the Collection Fund element) is based on estimates from South Yorkshire districts to take account of the impact of the pandemic on local businesses over the 2023-26 period.

9. On the basis of the above position, a 2023-26 estimated settlement position has been produced for SYFRA as follows:

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Revenue Support Grant	**8.716**	**8.716**	**8.716**	**8.716**
Business Rates				
- Top Up	11.550	11.550	11.550	11.550
- Retained	3.907	4.041	4.204	4.292
- Collection Fund Surplus	0.000	0.000	0.000	0.000
	15.457	15.591	15.754	15.842
S31 Grant	**1.753**	**1.753**	**1.753**	**1.753**
Pensions Grant	**2.756**	**2.756**	**2.756**	**2.756**
One off Services Grant	**1.081**	**0.811**	**0.811**	**0.811**
OVERALL GOVT. FUNDING	**29.763**	**29.627**	**29.790**	**29.878**

Revenue Support Grant (RSG)

10. Revenue Support Grant is a share of Total England Funding for Fire Authorities calculated by the DLUHC and is still based on the baseline set in the 2013/14 Local Government Settlement. The RSG attempts to allocate funding based on local needs in regional areas through a comprehensive "start-up funding assessment" model after "top slice" deductions have been made to various bodies that are directly funded from Government allocations. The figure in the table for the period 2023-26 is based on the 2022/23 allocation at cash standstill.

Business Rates

11. All Business rates (NNDR) used to be paid directly from Central Government. Local Authorities collect all the business rates in their area due on Commercial Properties. As a way of partly devolving funding to Local Authorities, the Coalition Government decided from 2013/14 that 50% of business rates would be distributed by Central Government via a business rates pool. As part of these changes, it was assumed that 2% of business rate income related to the funding for Fire Authorities across England. Therefore, as Local Districts can keep 50% of the income, Barnsley, Doncaster, Rotherham and Sheffield pay over 1% of their locally collected NNDR income directly across to the South Yorkshire Fire Authority. Whilst the current assumptions by the district councils show some growth, this is subject to considerable change and uncertainty as a result of the current economic crisis facing businesses. In addition the Valuations Office are currently undertaking a national re-valuation of all businesses rateable values (due to be live from 1st April 23).

12. In addition, because the South Yorkshire area has higher spending needs than it collects in business rates, the South Yorkshire Fire Authority receives an additional Top-Up Grant. This grant has been inflated by CPI in previous years, however as a result of the ongoing economic crisis and the fact that Government have already highlighted possible cuts in public spending, a standstill position based on 2022/23 levels has been assumed for the period 2023-2026.

Section 31 Grant

13. Section 31 income is paid by DLUHC to compensate fire and local authorities for policy changes that may reduce the level of business rate collection and top up grant. These particularly relate to rate reliefs for small businesses as well as Government decisions to 'cap' the level of inflation below the actual level. On the basis of this, it is estimated that Section 31 grant will remain at 2022/23 levels of £1.7m per annum over the 2023-26 period.

Pension Grant

14. As mentioned previously, the Home Office also fund the additional superannuation costs of Firefighters through direct grant at 90% of the additional liability. The Home Office also indicated its preference to 'roll up' the future pension grants into overall funding when the local government finance reforms are eventually implemented. It has been assumed that SYFR will receive the same grant in 2023/24 (and future years') as 2022/23.

One-Off Services Grant

15. As part of the 2022/23 finance settlement the authority received a "services grant" of £1.1m, however it was announced that this would be for one-year only pending review during 2022/23. As a result of the possible cuts in public spending it has been assumed that this grant will continue but be reduced by 25%.

Council Tax Income

16. As with Business Rates, the current economic issues and in particular the cost-of-living crisis is expected to have an impact on Council Tax collection. This has been reflected in the estimates provided by South Yorkshire districts, with income growth year on year being less than in previous years. This is more pertinent for SYFRA as Council Tax makes up a much bigger proportion of its overall funding levels than business rates. The change in income levels is reflected in the position outlined below.

17. In 2022/23, SYFRA set a Band D Council Tax of £77.58 which represented a 2% increase from the previous year which when multiplied by the council tax base of 365,953 Band D equivalent properties, resulting in Precept income of £28.4m being raised to fund services.

18. Going forward SYFR will, as stated earlier in this report, be increasingly dependent on the income it can raise locally including council tax and this will be determined by the following factors:

19. **Annual increase in Council Tax** – for a number of years, the Government's policy has been to prescribe a percentage council tax increase that would trigger a local referendum. Whilst no information has been released on what this level will be in 2023/24, for planning purposes, precept flexibility of an £5.00 increase, on Band D properties has been forecast for 2023/24, reducing to 2% for 2024/25 and 2025/26.

20. **South Yorkshire's Tax Base** – the Tax Base is the overall number of properties that each of the four local councils can collect council tax from, a change in the base is usually the result of:

- The building and completion of new housing properties;
- Changes in council tax banding as a result of adjustment and appeals;
- Discounts, exemptions and reliefs granted, for example changes in the council tax support scheme; and
- Ending of the discount period on empty properties or their reoccupation.

21. For 2023/24, it is projected that the Tax Base for South Yorkshire will be 370,026 Band D equivalent properties, which is based on the latest information received from the South Yorkshire Districts. Whilst all South Yorkshire districts are expecting some growth in the position in future years this is less than previous growth assumptions due to the house building market slowing and the rising cost of mortgages (as a result of rising interest rates). Therefore, a tax base of 373,836 and 377,643 has been assumed for 2024/25 and 2025/26 respectively based on estimates provided by the district councils. It should also be noted that the projections are at a point in time and subject to change when the position is updated at budget setting time.

22. **Collection Fund Surplus (Council Tax)** – In previous years South Yorkshire Councils have had a reasonably good track record in collecting council tax which has resulted in an annual Collection Fund Surplus that has been distributed to precepting authorities to support the revenue budget.

23. A Collection Fund (CF) surplus is generated when Council Tax collection is higher than expected by the districts. Again, South Yorkshire districts have been contacted to determine their CF surpluses. It is estimated that this will around £0.350m per annum over the planning period. Again, this data is collected at a point in time and subject to change.

24. For the period 2023-26 the total estimated income expected is summarised in the table below along with the 2022/23 position for comparison purposes:

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Inc. from 22/23 £m
Council Tax Income	*28.392	*30.557	*31.489	*32.445	
Collection Fund Surplus	0.672	0.348	0.346	0.346	
COUNCIL TAX INCOME	**29.064**	**30.905**	**31.835**	**32.791**	**+3.727**

NB: * Assumes a 2% increase in Council Tax per annum with the exception of 2023/24 which includes a forecasted precept flexibility of a £5.00 increase.

25. The above 'most likely' scenario includes the assumption of a precept flexibility awarded to increase the Band D property - £77.58 by £5.00 to £82.58 per annum (6.44%) If, this flexibility was allowed also in 2024/25 an additional £1.290m would be generated.

Overall estimated Resources

26. As previously stated in the Executive Summary of this report and as a direct result of the funding uncertainty facing Fire Authorities over the medium to long term, a number of funding scenarios have been developed and put forward for consideration. These Scenarios are:

- **Scenario 1 'Worst Case'** – this scenario assumes RSG, Top-up Grant, Retained Business Rates, S31 grants and the pension grant all at cash standstill. It assumes the one-off Service grant from 2022/23 is fully removed. Council tax increases at 2% with Council Tax Base, Business Rates and Collection Fund surplus adjusted to South Yorkshire Districts projections.

- **Scenario 2 'Most Likely Case'** – this scenario assumes RSG, Top-up Grant, Retained Business Rates, S31 grants and the pension grant all at cash standstill. It assumes the one-off Service grant from 2022/23 is continued albeit without the National Insurance Levy contribution. Council tax increase for 2023/24 of a precept flexibility of an additional £5.00 (6.44%), reducing to 2% for following years and with Council Tax Base, Business Rates and Collection Fund surplus adjusted to South Yorkshire Districts projections.

- **Scenario 3 'Reasonable Best Case'** – this scenario assumes the pension grant is rolled into the RSG and along with the Top-Up grant both uplifted by the Consumer Price Index (CPI) each year (2023/24 – 7%, 2024/25 – 5%, 2025/26 2%). Retained Business Rates and S31 grants at cash standstill and the one-off Service grant from 2022/23 is continued, albeit without the National Insurance Levy contribution. Council tax increase for 2023/24 of a precept flexibility of an additional £5.00 (6.44%), reducing to 2% for following years and with Council Tax Base, Business Rates and Collection Fund surplus adjusted to South Yorkshire Districts projections.

27. In summary, the following table shows for each Scenario the level of resources that would be available to the Authority to fund the operational fire service over the term of this Plan:

	2023/24 £m	**2024/25 £m**	**2025/26 £m**
Scenario 1 – Worst Case Overall Govt. Funding	28.816	28.979	29.067
Council Tax income	29.628	30.515	31.429
TOTAL INCOME	**58.444**	**59.494**	**60.496**
Scenario 2 – Most Likely Case Overall Govt. Funding	29.627	29.790	29.878
Council Tax Income	30.905	31.835	32.791
TOTAL INCOME	**60.532**	**61.625**	**62.669**
Increase in Available Funding from Scenario 1	*2.088*	*2.129*	*2.173*
Scenario 3 – Reasonable Best Case Overall Govt. Funding	31.239	32.633	32.427
Council Tax Income	30.905	31.835	32.791
TOTAL INCOME	**62.144**	**64.468**	**65.218**
Increase in Available Funding from Scenario 1	*3.700*	*4.973*	*4.722*

28. At this stage in the financial planning process the **'most likely'** funding scenario is being used as the basis for determining future financial plans. Once the Local Government Settlement is announced the Annual Budget and Precept Setting report for Member consideration and approval in February 2023 will be updated accordingly.

29. In late December, the Government is likely to announce its 2023/24 funding allocation for each Fire Authority. This will undoubtedly provide a further and better steer as to whether the 'most likely' funding scenario is still a prudent assumption for which to plan on. However, given the ongoing economic situation it is likely to be an evolving and iterative picture. Careful monitoring, scrutiny and timely reporting to keep Members fully aware of developments and their likely implications will be essential over the coming months and years.

30. Paragraphs 54-62 of this report sets out each of these scenarios in conjunction with the estimated spending requirements to establish a net overall annual budgetary position and the likely potential impact on the Authority's General Reserves position.

SECTION B: REVENUE EXPENDITURE REQUIREMENT

31. SYFR set a Net Revenue Budget for 2022/23 of £57.877m and this has formed the base of the current Budget Baseline spend for the next three years set out below:

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
MTFP Net Budget Baseline	57.877	63.622	65.891	67.009
£/% decrease(-) / increase		**£5.745m/ 9.92%**	**£2.269m/ 3.56%**	**£1.118m/ 1.69%**

32. The 2022/23 Baseline Budget has been rolled forward allowing for expected pay and contractual inflation, the ongoing effect of agreed savings proposals and recognised budget pressures to give an indicative spend requirement.

33. The increased cost pressures in 2023/24 reflects the impact of additional investment required in staffing costs, with wholetime firefighter costs having been rebased to reflect the forecast Establishment, a reflection of the operational pay award not yet agreed and the agreed pay award for support staff, the Service Improvement investment requests and other non-pay pressures. The increase is offset by decreases in areas of non-pay expenditure as a direct result of savings achieved or forecast efficiencies.

34. The next table sets out the pay inflationary increases included in the Baseline. In 2022/23 an increase of 2% across all pay was included within the budget. At the time of writing this report only the Support Staff award has been confirmed. Both Operational and Support Staff awards have been included within the baseline for 2023/24 onwards:

- Firefighter Pay – the original offer of 2% was rejected with the Fire Brigades Union (FBU) announcing intentions to ballot for Industrial Action. In early October the National Joint Council made an increased offer of 5%, giving clarity that this offer was unfunded. Subsequently, the Government has also confirmed that no addition funding would be made available to cover the increased offer. At the time of this report the FBU will be conducting a consultative ballot with its members with regards to accepting or rejecting the increased offer.

- Support Staff – The offer of £1,925, per pay point, was accepted at a full trade union meeting on 1st November, after two of the three trade unions accepted the offer. The increase per pay point equates to an average increase of 5.72% overall for the Service.

35. For 2024/25 onwards, forecasts have been included as below. It should be noted that this, unavoidable cost pressure, is not affordable in the long-term without additional funding, either through Government or through the local precept. No provision has been included for general price inflation other than for utilities and where it is contractual:

Inflation Assumptions	2022/23	2023/24	2024/25	2025/26
Firefighter Pay Award	5%	4%	4%	2%
Support Staff Pay Award	5.72%	4%	4%	2%

36. The next section of this report sets out a headline analysis of the Budget Baseline Requirement and provides a narrative commentary to help Members understand the assumptions made in deriving the proposed spend figures in each year:

Area of Spend	2023/24 £m	2024/25 £m	2025/26 £m
Employees	51.061	53.024	54.044
Premises	5.487	5.718	5.760
Transport	1.320	1.302	1.213
Supplies and Services	3.850	3.850	3.850
Capital Financing	2.574	2.618	2.717
Other Expenses (incl. BMBC Recharge)	0.453	0.458	0.460
SPENDING REQUIREMENT	**64.745**	**66.970**	**68.044**
Less: Income	-1.123	-1.079	-1.035
NET SPENDING REQUIREMENT	**63.622**	**65.891**	**67.009**

EMPLOYEES – Budget: 2023/24 £51.061m, 2024/25 £53.024m, 2025/26 £54.044m

37. Employee related costs account for c80% of the forecast gross total spend. These are estimated to be around £54.044m by 2025/26. The principal reasons for the overall estimated increase are set out below for the different categories of staff:

Wholetime – Budget: 2023/24 £35.678m, 2024/25 £37.105m, 2025/26 £37.847m

38. In 2022/23, the estimated budget for Wholetime firefighters is £32.929m. This is expected to increase over the term of this MTFP to £37.847m, an increase of £4.918m. The main reasons which explain this projected increase are:

- In 2022/23 the pay award was forecast at 2%, which is effective from 1st July 2022. As stated above the current offer is 5%, approximately £1m above forecast. Forecasts for 2023/24 and 2024/25 have been increased to 4%, reducing to 2% in 2025/26. This equates, over the term of this plan, to a total inflationary increase of £4.154m. This will need to be kept under review in light of the current economic situation and the Government's 'White Paper' review of the Fire and Rescue service.

- An increase of £0.250m has been included to reflect the rising cost of overtime. Overtime has been higher over the last few years as a consequence of large scale incidents including the 2019 floods, Hadfield Moor fire and COVID and to cover vacancies, annual leave, staff on modified duties and staff training. The modest increase will create contingency in this area.

- The budget for 2022/23 assumed an establishment of 592 with 2023/24 forecast to increase to the full establishment of 608. This forecast is still aligned with the current CRMP and is included in the forecast increase from 2022/23.

On Call Firefighters Budget: 2023/24 £1.692m, 2024/25 £1.1.760m, 2025/26 £1.795m

39. The increase from the 2022/23 budget (£1.581m) reflects the full year effect of the 2022/23 potential pay award and the forecast 4% for 2023/24. The Service continues to review the deployment of On Call firefighters to maximise efficiency.

Control Staff Budget: 2023/24 £1.419m, 2024/25 £1.476m, 2025/26 £1.506m

40. The increase from the 2022/23 budget (£1.374m) reflects the full year effect of the 2022/23 potential pay award and the forecast 4% for 2023/24. This is offset by a slight reduction aligning to the actual establishment.

Support Staff: Budget 2023/24 £10.276m, 2024/25 £10.687m, 2025/26 £10.901m

41. The approved budget for 2022/23 was £9.398m, this is now expected to increase over the term of the plan to £10.901m, an increase of £1.503m. The main reasons for this increase are:

- The 2022/23 approved budget included a forecast of 2% for the pay award that is applicable from the 1st April 2022. However, following a full trade union meeting on 1st November agreement was confirmed of the offer of £1,925 per pay point. This equates to an increase of an average increase of 5.72%. The budget for 2023/24 includes the full year cost of this increase and the potential increase of 4% from 1st April 2023 (£0.900m). For the remaining years of the plan inflation has been forecast at 4% for 2024/25 (£0.411m) then reverting to 2% for 2025/26 (£0.214m).

- Growth has been included within the 2023/24 budget to reflect proposals detailed in the Service Investment Plan that will be presented to the Authority for approval. However, it should be noted that approximately £0.150m of this growth will be funded from savings/efficiencies made in the respective departments' non-pay budgets.

- A reduction of £0.145m has also been included to reflect the end of temporary posts that were included within the 2022/23 Service Investment Plan.

Indirect Employee Costs: Budget 2023/24 £1.995m, 2024/25 £1.995m, 2025/26 £1.995m

42. The approved 2022/23 budget was £2.155m. The reduction in budget for 2023/24 onwards relates to savings to offset growth in support staff salaries (£0.050m) and projected savings/efficiencies as part of our continuous improvement work.

PREMISES – 2023/24 Budget £5.487m, 2024/25 £5.718m, 2025/26 £5.760m

43. The premises budget for 2022/23 was approved at £3.727m and the increase over the medium term includes a significant, unknown and unavoidable cost pressure to the Service in relation to utilities. The net forecast increase is currently £2.033m:

- This financial year (2022/23) has seen an unprecedented national and global increase in the cost of utilities – gas and electric with a forecast overspend of approximately £1m. Add to this, the forecast for 2023/24 the increase included in the MTFP is £2.541m. For 2024/25 inflation at 10% has been included reducing to 3% in 2025/26. However there are savings to mitigate this in 2023/24 (£0.250m) through the work the Estates department is doing to not only reduce our consumption but also as part of the sustainability plan. Once this work is embedded and further information known forecasts can be amended accordingly.

- The Service continues to positively address maintenance issues through more intuitive, condition-driven planned lifecycle maintenance programmes. The impact of this and other work ongoing is a reducing budget from 2023/24 to reflect the savings and efficiencies now being achieved. Over the MFTP the forecast saving is £0.200m.

- In addition to the above, savings and efficiencies are forecast in areas such as rates, fixture and fittings and cleaning and domestic with a total for 2023/24 of £0.100m.

- Other cost pressures included are not significant (£0.042m) which are the forecast inflation through contractual agreements.

TRANSPORT – 2023/24 Budget £1.320m, 2024/25 £1.302m, 2025/26 £1.213m

44. As with utility costs, fuel has seen a significant increase in this financial year (2022/23). The budget for 2023/24 reflects aligning costs to the 2022/23 level and a 10% inflationary increase, resulting in an unavoidable cost pressure of £0.296m. For the remaining of the MTFP inflation has been included as well as a reduction in fuel in forecast for the gradual, potential move to electric vehicles.

45. There are increases included for vehicle repairs and maintenance, however these relate to inflationary cost pressures only. A slight increase in car allowance and public transport has also been forecast in 2023/24.

46. The above pressures have been offset by proposed savings/efficiencies on transport insurance.

SUPPLIES & SERVICES – 2023/24 Budget £3.850m, 2024/15 £3.850m, 2025/26 £3.850m

47. The budget for supplies and services reflects a decrease in costs of £0.380m. These reductions are:

    - £0.100m – relating to ICT efficiencies to vire to support staff costs to fund the increase in establishment as agreed in the Service Investment Plan.

    - £0.280m – proposed savings/efficiencies under the equipment, furniture and materials budget, office expenses budget, services budget and the other miscellaneous budget.

CAPITAL FINANCING – 2023/24 Budget £2.574m, 2024/25 £2.618m, 2025/26 £2.717m

48. The Capital Financing budget reflects the Interest and Minimum Revenue Provision (Principal) payable in relation to the Service's loan debt outstanding and capital financing requirement. This borrowing was a result of previous decisions on financing capital spend and takes account of a sensible reduction in the Authority's under borrowing position aligned to the approved Treasury Management Strategy.

49. The capital financing budgets also reflect:

- The change in the Minimum Revenue Provision (MRP) policy that was reviewed a few years ago and the significant savings that are generated albeit on a reducing basis beyond the period of this MTFP. Non-budgeted savings arising from the change of policy have been held back in an earmarked (unusable) reserve to ensure all future costs are provided for. The forecast reserve as at 31 March 2023 is £2.298m rising to £4.370m by 31 March 2026; and

- The outlined capital investment plans (Section D).

50. The current (2022/23) approved Capital Programme, has been re-profiled and updated with further details reported in the Quarter Two Financial Performance Report. The Capital Programme is expected to be financed mainly from external borrowing and these likely borrowing costs have been built into this MTFP.

OTHER EXPENSES (incl. BMBC Charges) – 2023/24 Budget £0.453m, 2024/25 Budget £0.458m, 2025/26 Budget £0.460m

51. This line of spend principally relates to the provision of the Authority Members related allowances, development and expenses (£0.188m 2023/24), provision of Internal and External Audit Services and the provision of services to SYFRA and SYFR from Barnsley MBC officers (£0.265m) via a Service Level Agreement (SLA) that was originally approved by Members in April 2018 and subsequently ratified in each year after, including:

- Aspects of Human Resources primarily linked to the employment of SYFR Principal Officers;

- Aspects of Financial Services including the Section 151 Officer, treasury management, financial statements and medium term financial planning, insurance services and other technical accounting advice;

- Legal Services including the Monitoring Officer;

- Facilities Management; and

- Policy and Democratic Services.

INCOME – 2023/24 Budget £1.123m, 2024/25 Budget £1.079m, 2025/26 Budget £1.035m

52. The main constituent elements of income derive government grants and other contributions, rental income, seconded officer income, catering sales, apprentice levy, income from fees and charges and investment income arising from invested cash balances in line with the approved Investment Strategy.

53. A reduction in income from Customer and Client receipts is forecast, however this is offset by the increase in investment income as a result of the increasing interest rate. Government Grants are reducing over the term of the MTFP as the Firelink Grant is phased out 20% per year (£0.044m) from the current financial year (2022/23).

OVERALL POSITION

54. Taking into account of both the Estimated Available Funding (based on the Most Likely Funding Scenario – Scenario 2) and proposed Net Spending Requirement SYFRs updated overall estimated financial plan for the period 2023/24 to 2025/26 is as follows:

	2023/24 £m	2024/25 £m	2025/26 £m
AVAILABLE FUNDING – MOST LIKELY SCENARIO	**60.532**	**61.625**	**62.669**
NET SPENDING REQUIREMENT	**63.622**	**65.891**	**67.009**
PLANNED SURPLUS (+) / DEFICIT (-)	**-3.090**	**-4.266**	**-4.340**
Contribution from General Reserve Required	-3.090	-4.266	-4.340
Cumulative Net Decrease in General Reserves 2023/24 to 2025/26	**0**	**-7.356**	**-11.696**

55. In summary, under this scenario, SYFR forecast that, for the period 2023/24 to 2025/26, an **overall deficit of £11.696m** will be generated assuming the above spending and funding plans are delivered/realised. However, if the 2023/24 Local Government Settlement is in line with this 'most likely' scenario the forecast spending plans for 2024/25 onwards will have to be reviewed with significant savings/efficiencies implemented to ensure a balanced budget is achieved.

56. At the moment the level of uncertainty as to government funding and precept limits is extremely high. Over the last few years the Emerging Risk reserve has been increased in anticipation of the potential for some economic turmoil. The resilience of this reserve will financially support the 2023/24 budget, which has significantly increased due to higher than forecast pay awards and the significant increase in utilities costs. The 'most likely' scenario only includes the provision for the precept flexibility of a £5.00 increase on Band D properties in 2023/24. This scenario, over the MTFP, results in an increase in council tax funding of £4m. However, should this flexibility be granted in 2024/25 also the overall increase over the MTFP period would be £6.5m.

57. Ultimately, over the MTFP the decrease in the overall reserves would result in full utilisation by March 2026, which would be unacceptable without a significant efficiency plan. However, until the Government's settlement is announced the level of significance cannot be quantified.

58. The Service will sensibly and prudently continue its improvement and investment plans until such time as there is a clear, quantifiable need to change financial direction. Also, it will enable the Authority to demonstrate to external stakeholders and other interested parties that it continues to have an affordable and sustainable financial plan in place.

59. As outlined at paragraphs 63-73, the Authority's level of reserves will be subject to ongoing review and should extra Post COVID-19 and/or Comprehensive Spending Review resilience not be required, additional reserve balances could potentially be released to support the Authority's future operational and/or capital investment priorities.

60. Whilst Scenario 2 is considered to be the ‘most likely’ position, there are as previously stated a number of significant imponderables that make it sensible for the Authority to demonstrate the implications of changes in the Available Funding on the annual budget performance and the level of General Reserve available to support a future budget. The following tables provides this analysis for both a ‘worst case’ (Scenario 1) and a ‘reasonable best case’ (Scenario 3) scenario respectively:

	2023/24 £m	2024/25 £m	2025/26 £m
WORST CASE (Scenario 1)			
AVAILABLE FUNDING	**58.444**	**59.495**	**60.496**
NET SPENDING REQUIREMENT	**63.622**	**65.891**	**67.009**
PLANNED SURPLUS (+) / DEFICIT (-)	**-4.178**	**-6.396**	**-6.513**
Contribution From General Reserve	-4.178	-6.396	-6.513
Net Reduction in General Reserve 2022/23 to 2024/25	**-4.178**	**-6.396**	**-6.513**

	2023/24 £m	2024/25 £m	2025/26 £m
REASONABLE BEST CASE (Scenario 3)			
AVAILABLE FUNDING	**62.144**	**64.468**	**65.218**
NET SPENDING REQUIREMENT	**63.622**	**65.891**	**67.009**
PLANNED SURPLUS (+) / DEFICIT (-)	**-1.478**	**-1.423**	**-1.791**
Contribution to/(from)General Reserve	-1.478	-1.423	-1.791
Net Change in General Reserve 2022/23 to 2024/25	**-1.478**	**-1.423**	**-1.791**

61. In summary, under the ‘worst’ Case (Scenario 1), for the period 2023/24 to 2025/26 there would be **an overall estimated, unacceptable net deficit of £17.087m. In contrast this would become an overall estimated net deficit of £4.692m** for the same period 2023/24 to 2025/26 under Scenario 3 (reasonable best case).

62. Under the ‘reasonable best case’ and the ‘most likely’ scenarios, the Service would not have to make significant decisions regarding its operational and spending plans in the short term. However, should the ‘worst case’ scenario become more evident, then SYFR would need to start working up savings options for implementation during the early years of this plan.

SECTION C: RESERVES STRATEGY

63. The Authority holds both earmarked and general reserves:

- Earmarked reserves are set aside for a specific purpose and can only be used for that purpose once set aside, although this can be reviewed at any time by the Fire Authority; and

- General reserves are required to cover known financial risks and unforeseen costs and must not fall below a minimum recommended level (referred to as the Minimum Working Balance) except under exceptional circumstances. If this occurs, a plan should be put in place to bring that back up to minimum levels as soon as possible.

64. For the year ended 31 March 2022 after taking account of decisions made in setting the 2022/23 budget and the 2021/22 Outturn position, the Authority held both earmarked and general reserves as presented in the table below split between Useable Reserves and Un-useable Reserves:

Reserves	**At 31 March 2022 £m**
Insurance	1.242
Invest to Save	0.041
Budget Carry Forwards	0.771
Service Improvement	0.765
Rates Rebates	0.682
Immediate Detriment Pension Liability	3.548
Capital Receipts	0.295
Capital Grants Unapplied	0.586
Revenue Grants Unapplied	1.125
Emerging Risk	2.405
Safer, Stronger Communities (SSCR)	0.514
Useable Earmarked Reserves	**11.974**
General Reserve/ Minimum Working Balance	5.000
Total Useable Reserves	**16.974**
MRP Reserve	1.777
Total Un-useable Reserves	**1.777**
Total Reserves	**18.751**

65. The above position shows that SYFR holds a Minimum Working Balance (MWB) of £5.0m or 9% of the SYFR's spend. Two new reserves were created - The Immediate Detriment Pension Liability reserve, for the potential costs arising from the Authority adopting the LGA and the FBU Framework agreement in relation the McCloud and Sargeant legal pension case ahead of remedy legislation in October 2023. The second the Emerging Risk reserve to provide a contingency for potential unavoidable cost pressures as a result of the pandemic and other national and global risks which have been outlined in other sections of this report.

66. Other than the MWB, all other available reserves as at the end of March 2022 were earmarked for a specific purpose and particularly reflect the Reserves Strategy to use, in future if required, any available balances to fund one off capital investment spend and thereby avoid the costs of borrowing.

Future Reserves Strategy – 'Reaffirming' the Commitment

67. In 'reaffirming' its planned approach to managing reserves, it is both sensible and prudent for the Section 151 Officer in formulating the updated MTFP to consider and reaffirm the level and adequacy of reserves after taking into account a number of considerations as outlined below:

- Excessive balances can be an opportunity cost to the tax payer leading to additional spending on services not taking place or Council Tax precept increases being higher than they would otherwise be;

- Retained balances earn income and can provide internal funding e.g. for capital spend rather than borrowing; and

- Too low a level of reserves may put the Authority at risk if unexpected demands and risks/events occur at relatively short notice (as witnessed through the COVID-19 pandemic) and would likely lead to an adverse audit opinion.

68. Having assessed the potential financial risks and the extent of the Authority's likely exposure to those risks during the next 3 years, plus their impact on available balances, the Section 151 Officer is able to propose the following approach to managing reserves, during the period 2023-2026. This broadly 'firms up' the commitments in the current reserves strategy:

Proposed Approach –

Step 1 Review the purpose and classification of each reserve held at 31 March 2023 to determine whether it still needs to be held or can be reduced/closed;

Step 2 Any available reserves that are identified from the review (or additional balances generated in the interim) be 'ring-fenced' in General Reserves/Emerging Risk Reserve until greater certainty is derived on the funding position – this is unlikely to be realised until the Government produces its longer term plans*;* and

Step 3 The Section 151 Officer to review the level of minimum General Reserves required when greater certainty is acquired on the funding position for SYFRA.

69. Over the period of this new MTFP 2023-2026, the Reserves profile is expected to significantly reduce in line with commitments made and the uncertainty relating to future funding and significant increases in unavoidable cost pressures. This report has considered a number of funding scenarios, in relation to the very fluid, uncertain challenges now and in the future, which will potentially have varying impacts on the level of general reserves and overall reserves held by SYFRA.

70. The impact on useable reserves of the 'most likely' scenario is set out at paragraph 64 and shown in detail in the table below. This shows that the level of General Reserves is likely to decrease from c9% to around c5% at the end of March 2025, if this funding scenario materialises. If this is the case to ensure the level of the MWB does not fall below the current level of General Reserves beyond 2024/25 the service will need to put in place a significant efficiency plan.

71. In light of the current uncertainty caused by the ongoing economic volatility, it is the recommendation of the Section 151 Officer to work to retain the level of balances at those set out in the table below. However, this will be subject to the outcome of the Government's settlement and the potential requirement to produce a significant efficiency plan. The reserve position, over the MTFP period is shown below:

	31st March 2023 £m	31st March 2024 £m	31st March 2025 £m	31st March 2026 £m
Earmarked Reserves:				
Insurance	1.242	1.242	1.242	1.242
Invest to Save	0	0	0	0
Budget Carry Forwards	0	0	0	0
Capital Investment – Committed	0	0	0	0
Safer Stronger Communities	0	0	0	0
Capital Receipts Reserve	0	0	0	0
Revenue Grants Unapplied	0	0	0	0
Capital Grants Unapplied	0	0	0	0
Service Improvement Reserve	0	0	0	0
Rates Rebates	0.082	0	0	0
Immediate Detriment Pension Liability	3.548	2.305	0	0
Emerging Risk	2.751	0	0	0
TOTAL EARMARKED RESERVES	**7.623**	**3.547**	**1.242**	**1.242**
General Reserves:				
Minimum Working Balance	5.000	5.000	3.039	3.039
TOTAL USEABLE RESERVES	**12.623**	**8.547**	**4.281**	**4.281**
MRP	**2.298**	**2.934**	**3.638**	**4.370**
TOTAL UN-USEABLE RESERVES	**2.298**	**2.934**	**3.638**	**4.370**
TOTAL RESERVES	**14.921**	**11.481**	**7.919**	**8.651**

72. Clearly, the forecast level of the overall reserves is wholly dependent both on the current forecast outturn position in 2022/23 and on the 'most likely' scenario put forward.

73. The 'reasonable best case' scenario would clearly improve the position set out above and the MWB would be maintained at 7%, however all but the Insurance and MRP reserve would be fully utilised. In the event of a 'reasonable worst case' scenario, all useable reserves would be fully depleted and to maintain the MWB at a reduced rate of 3% would require significant efficiencies in 2024/25 and 2025/26. This scenario would not be acceptable to the Section 151 Officer whom would require a sustainable financial plan in place, at the very latest, by April 2023 to replenish the minimum working balance to at least £3m by the end of this current planning period.

SECTION D: CAPITAL PROGRAMME

74. The Capital Programme has been revisited as part of the MTFP process and the current year update is detailed in the Quarter Two Financial Performance Report. The projections for the current year have reduced significantly as a result of the changing economic situation with some impact on future years.

75. The latest spend projections (2023-26), following this review, are shown in the table below which will require approval by Members. This approval will be sought as part of the 2023/2024 Annual Budget and Council Tax setting report that comes to the Authority in February 2023. It should be noted that the forecast budget for 2023/24 of £9.651m, includes £1.760m previously approved within the 2022/23 that has been re-profiled accordingly.

Forecast Capital Programme 2022-2026

	LATEST CAPITAL PROJECTION 2022/23 £m	FORECAST CAPITAL PROJECTION 2023/24 £m	FORECAST CAPITAL PROJECTION 2024/25 £m	FORECAST CAPITAL PROJECTION 2025/26 £m
Estates	2.499	5.825	7.675	5.300
Transport	2.375	2.341	2.830	1.470
ICT and Comms	0.588	0.688	0.505	0.200
Operational Equipment	0.490	0.797	0.462	0.077
TOTAL	**5.952**	**9.651**	**11.472**	**7.047**

76. The majority of the capital investment will be financed through new borrowing and this has been factored into all treasury management and capital financing forecasts. Where relevant minor elements of spend will be through capital receipts, capital grants, specific reserves or planned direct revenue financing.

77. In line with expectations and as part of the Service's ongoing improvement work each function continues to estimate their longer-term capital needs in line with the CRMP and the Annual Service Plan. Recent work includes:

- The work of the Property Board, a 5 year Estate Condition Surveys, a forecast plan for major re-build/refurbishments and work relating to the services sustainability plan;

- The work of the Strategic Fleet Board in determining its replacement plans focussed on optimising appliance availability to best support future operational response. This includes the recent tender to purchase 4 new appliances each year until 2028;

- ICT's continued work as part of the Digital Transformation Programme; and

- The continued work of operational steering groups in reviewing the operational equipment needs through the Service's Operational Research and Development Board;

SECTION E: FINANCIAL RISKS

78. This MTFP update provides Members with:

- An understanding of SYFRs strategic and operational financial plans until 2026. There is a degree of 'cautious optimism' that the current spending requirements will be affordable, but only if the Government's settlement for 2023/24 contains growth to support unavoidable cost pressures. Available resources (including earmarked reserves) will have to be utilised, without the need for recourse to use general reserves until potentially 2024/25 whereby the minimum working balance could potentially drop below the current level (9%) to 3%. This will result in significant efficiencies being required.

- Sustainable savings proposals over and above those identified in previous MTFPs have been identified to help reduce any funding gap. However, again subject to the Government's settlement further work may be required to provide an affordable and potentially sustainable plan until 2026.

- Restates and confirms the planned use of reserves over the period up to 2026 in particular the use of the Emerging Risk reserve to support, in the short-term the funding gap.

79. It also sets out and reaffirms a prudent general reserve level that is considered sensible based on the known risks and levels of future uncertainty. However this could potentially fall below this level in 2024/25 depending on the level of funding and the need to achieve significant efficiencies.

80. The main financial risks underpinning both the spending and funding forecasts in this MTFP update are:

- Inflation assumptions may change over the MTFP period. Currently we are in an unprecedented time of high level of inflation. The impact on the current national and international situation has resulted in significant increase in gas and electric. These rates are susceptible to change, either through further increases or decreases. In addition, the higher than anticipated pay award offers, to which only the Support Staff offer has been accepted coupled with higher than normal forecast awards for future years.

- Changes to assumed workforce planning profiles for wholetime firefighter retirements, sickness and other absences / modified duties and unplanned leavers may create financial variances and pressures e.g. additional unplanned overtime / expenses.

- The climate of Industrial Action provides uncertainties over additional costs.

- Future pensions' employer contribution rates are expected to rise sharply although the full extent of the rise will only be known when the GAD actuarial valuation reports are made available – the next valuation is due in 2023. In addition, there are several high profile legal cases e.g. McCloud and Sargent that will have a lasting and equally adverse impact on these valuations.

- Pension legal cases – there are as previously referenced a number of high profile cases that will increase future employer superannuation costs. For example the 'Immediate Detriment' cases arising out of the McCloud and Sargent ruling, that are currently being processed. What is still unclear is whether the government will meet these "unreasonable" costs retrospectively when legislations is in place post October 2023.

- Council tax assumptions included in the MTFP assume an annual increase of £5.00 for 2023/24 and then reverting back to 2% each year after - However, this may be subject to change by legislation (Excessiveness Rules).

- The council tax base may change from assumptions leading to more or less precept income. The collection rates are also likely to be affected although this has been reflected in the assumptions.

- Future long-term capital investment needs and funding are indicative at this stage and will be firmed up for approval as part of the 2023/24 Budget Setting and Council Tax report.

- Managing the outcomes from the next HMICFRS inspection. The SYFR report is due out early in the new year.

- Managing the outcomes from the recent Government Consultation on the future governance and funding of England's Fire and Rescue Services.

SECTION F: FUTURE STRATEGY/ NEXT STEPS

81. It is not always feasible to include every possibility with the MTFP. All eventualities are often not known, information does not always provide clarity or financial implications and sometimes ideas are too early in their conception to be included within the report. At this time, what is known is that efficiencies and savings will be required, but until the future funding is known the level of these is not quantifiable. These issues, as and when known will be included within future iterations of the plan.

82. Equally, it is recognised that there is a need to continually keep under review this MTFP so as to ensure that it is still relevant and up to date. This will be done as part of the ongoing budget cycle until such time as Members are asked to approve the 2023/24 budget and council tax setting proposals in February 2023.

83. It is very clear at present that the current economic situation is not only unprecedented but also extremely fluid. There are a number of significant areas such as pay awards and utilities that have seen above forecast increases which are unavoidable, but also uncertain for the next few years ahead. It should be noted that the three funding scenarios are only best guestimates and could be potentially wide of the mark. However, until the settlement is announced, just before the Government's Christmas break, this MFTP is as up to date as possible.

84. The position, however, should give Members the assurance that in the short-term there is sufficient resilience for 2023/24 which will enable the Service to take stock and plan accordingly should the worst case scenario materialises.

CONTRIBUTION TO OUR ASPIRATIONS

☐ **Be a great place to work**- we will create the right culture, values and behaviours to make this a brilliant place to work that is inclusive for all
☒ **Put people first-** we will spend money carefully, use our resources wisely and collaborate with others to provide the best deal to the communities we serve
☒ **Strive to be the best in everything we do**- we will work with others, make the most of technology and develop leaders to become the very best at what we can be

CONTRIBUTION TO SERVICE PRIORITIES

☐ Community - Making people safer – working to prevent emergencies.
☐ Operations - Responding to emergencies – effectively and safely.
☐ People - Valuing people – those we serve and employ.
☒ Finance and Resources - Maximising efficiency – making our resources go further.

OPPORTUNITIES FOR COLLABORATION

☒ Yes
☐ No

If you have ticked 'Yes' please provide brief details in the box below and include the third party/parties it would involve:

Financial implications as a result of any known collaboration opportunities are included with financial predictions. All future implications will be included within future MTFP updates as and when known.

CORPORATE RISK ASSESSMENT & BUSINESS CONTINUITY IMPLICATIONS

85. Managing spend within existing resources is a strategic risk - projections of future spend based on past performance and assumptions about when or if expenditure will be committed will always carry a degree of risk. Robust monitoring is in place to ensure that the figures within this report are accurate.

EQUALITY ANALYSIS COMPLETED

☐ Yes

If you have ticked 'Yes' please complete the below comment boxes providing details as follows:

Summary of any Adverse Impacts Identified:	Key Mitigating Actions Proposed and Agreed:

☐ No
☒ N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why an EA is not required/is outstanding:

No areas of adverse impact have been identified at this time.

HEALTH AND SAFETY RISK ASSESSMENT COMPLETED

☐ Yes
☐ No
☒ N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why a Health and Safety Risk Assessment is not required/is outstanding:

There are no risks in relation to Health and Safety.

SCHEME OF DELEGATION

86. Under the South Yorkshire Fire and Rescue Authority Scheme of Delegation a decision *is required / *has been approved at Service level.

Delegated Power ☐ Yes
☒ No

If yes, please complete the comments box indicating under which delegated power?

MTFP and setting budgets is a reserved matter for FRA Members.

IMPLICATIONS

87. Consider whether this report has any of the following implications and if so, address them below:, Diversity, Financial, Asset Management, Environmental and Sustainability, Fleet, Communications, ICT, Health and Safety, Data Protection, Collaboration, Legal and Industrial Relations implications have been considered in compiling this report.

List of background documents: Q1 & Q2 Financial Performance reports – 2022/23 2022/23 Council Tax and Budget Report		
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