

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting: Fire Authority

Date: 7 September 2023

Title of Report: 2024/25 to 2028/29 Strategic Service Planning and Medium Term Financial Plan

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Background Papers Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28 Monitoring at Month 4 (end July).

Bank of England Quarterly Monetary Policy Report August 2023.

Fire Authority Service Planning processes for 2023/24 and beyond – Revenue Budget 2023/24 and Capital Asset Strategy 2023/24 to 2027/28.

Appendices

1. Medium Term Financial Plan 2023/24 to 2027/28.
2. Illustrative update for 2024/25 Revenue Budget planning.
3. Illustrative update for 2024/25 Revenue Budget planning – Additional Inflationary Pressures.

Implications (please tick ✓ and attach to report)

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	✓
FINANCIAL	✓	POLITICAL	✓
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT To provide an update on the Authority's financial planning position in advance of the start of the Service Planning and Budget Setting process for 2024/25 onwards.

EXECUTIVE SUMMARY Whilst the main purpose of this report is to set the financial context for the service planning process, the fundamental aim of the process is to determine how best to deliver the Authority's Purpose and Commitments, the Integrated Risk

Management Plan (IRMP) and the targets and priorities that underpin them, within the context of the current estimate of available financial resources for the period 2024/25 to 2028/29.

Close alignment of business and resource (including finance) planning is necessary to ensure that the Authority can continue to deliver its corporate strategy and IRMP outcomes more effectively. A review of Strategies and their action plans (in terms of priority, deliverability and affordability) will feed into the Star Chamber process.

This report would normally set out a full review of the Authority's existing five year Medium Term Finance Plan (MTFP). However given the continued level of uncertainty not just regarding the future of local government funding but also inflationary pressures on costs (both pay and prices) we have set out an assessment of the 2024/25 revenue budget only. A full review of the MTFP will be presented to the Authority in December 2023 and February 2024.

The Government carried out a comprehensive spending review (CSR) covering a three year period from 2022/23 but only provided a one year settlement in both 2022/23 and 2023/24. Whilst the Government's Finance Policy Statement sets out the principles it will adopt for the 2024/25 settlement this can only be regarded as indicative at this stage.

The fire sector will make a strong submission to settlement process but the timetable is unclear and it is unlikely that the outcome will be known until later in the autumn with the provisional settlement expected in late December. Given next year is the last year of the current CSR period and the likelihood of national elections then we expect a further one year settlement which will not aid planning over the medium term.

Nationally the sector remains reliant on significant one-off funding for investment in protection services and payment of employer's pension contributions, and locally forecasting of future income from Council Tax and Business Rates remains limited. This makes planning for the 2024/25 budget and beyond extremely difficult.

Whilst inflation has fallen, it is not expected to return to the Bank of England's 2% target level until Q2 of 2025 (April – June). The Grey book pay award was settled at 3% higher than the provision in the MTFP (over two years) and the Green book pay settlement for 2023/24 has not yet been agreed, with a risk of industrial action. There is a significant risk that pay settlements for both 2023/24 and 2024/25 will be

materially above the inflation provided for in the MTFP at 4% for 2023/24 and 2% for 2024/25.

In this uncertain context this report seeks to identify the potential scale of the financial challenge facing the Authority primarily in setting its budget for the next financial year. It updates a number of the assumptions that underpin the current MTFP where that is possible, highlighting emerging pressures and potential risks. The revised financial planning assessment indicates a potential funding gap of up to £2.145m in 2024/25, depending on the level of inflation provided for. This does not include any net pressure resulting from the Star Chamber process which will run through September and October. It also assumes that pressures on the 2023/24 budget will be managed out.

The Authority will need to continue to drive, through the service and budget planning process, identification of pressures and new bids for funding, and savings (including cashable efficiencies) sufficient to provide the Authority with options to balance the budget in 2024/25 and beyond. However it is clear that if the scale of the potential financial challenge facing the Authority is as set out in this paper that efficiencies alone will not be sufficient to bridge the funding gap. The Authority will therefore need to consider a wider range of options. An update on the development of savings options (Tranches 1-4) is set out within the report. In summary officers have identified potential savings of up to £2.011m (£1.186m ongoing and £0.825m one-off).

This will enable the Authority, as far as is possible, to make informed choices about both balancing its budget over the medium term and delivering efficient and effective services once the position for 2024/25 and beyond is clearer.

The Authority and the wider fire sector continue to lobby for additional council tax flexibility of up to £5 which would provide additional income of £0.569m over the 2.99% currently modelled.

RECOMMENDATION

The Fire Authority is asked to:

- (i) note the report and its assessment of the potential funding gap for 2024/25;
- (ii) consider and comment upon the risks set out in section 4.6 and the assumptions set out in the report;
- (iii) consider their policy preferences for Council Tax, should the Government set the referendum threshold

higher than the 2.99% currently included in the MTFP;
and

- (iv) consider their preference for inflation provision for both pay and non-pay in 2024/25.
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1 MEDIUM TERM SERVICE PLANNING

- 1.1 Whilst the main purpose of this report is to set the financial context for the service planning process, through an update of the MTFP, the fundamental aim of the process is to determine how best to deliver the Authority's Purpose "to make our communities safer", its supporting commitments, its IRMP 2020-25, and the targets and priorities that underpin them, within the available resources. This process has become even more important in recent years in the light of the sustained pressure on public sector funding and the consequent need to deliver significant savings over the period of the MTFP.
- 1.2 Members and officers will need to ensure that the service planning process, which is driven through our purpose and commitments and the IRMP, delivers sustainability in the medium term for both the revenue and capital budgets, and the Service as a whole. Officers continue to develop the service planning process to ensure that strategic planning and resource allocation processes (including financial planning / budget setting) are better aligned, ensuring that agreed policy priorities and key outcomes are properly resourced and can be delivered more efficiently and effectively. As a result of this any proposed new pressures, savings and investments will be included in future reports for Member approval.

2 ECONOMIC OUTLOOK

- 2.1 Global CPI has been slowing, mainly driven by developments in energy prices, although food and goods price inflation has eased a little. Services inflation remains strong across advanced economies. UK GDP growth is estimated to have averaged around ¼% per quarter in the first half of 2023 with indicators pointing to underlying growth to continue at a similar pace in the second half of 2023. The unemployment rate rose to 4% in May and is forecast to rise to just under 5% by Q3 2026.
- 2.2 CPI inflation fell to 7.9% in June, remaining significantly above the Monetary Policy Committee's (MPC) 2% target. CPI is expected to continue to fall to 6.9% in Q3 and to 4.9% by the end of the year and reach the 2% target by Q2 2025. Interest rates are expected to rise from their current rate of 5.25% to a peak of just over 6% and average just under 5.5% over the three-year forecast period.

3 NATIONAL FUNDING ISSUES

- 3.1 There is considerable uncertainty in the national funding arena. Following the end of the previous four year funding settlement in 2019/20 the Government has approved four one year settlements (for 2020/21, 2021/22, 2022/23 and 2023/24). Whilst these have been more positive for the fire sector nationally

than had been anticipated with small real terms increases in the settlement funding assessment (SFA) they have not enabled effective planning over the medium term. In 2023/24 this Authority received the equal lowest increase in Comprehensive Spending Power (CSP) of any English fire authority (6.6%) and was only one of three CFAs that needed to receive CSP Minimum Guarantee grant.

- 3.2 Whilst the Government's Finance Policy Statement indicates the principles it will adopt for the 2024/25 settlement this can only be regarded as indicative and there is no commitment to continue to offer £5 council tax flexibility to fire and rescue services. The Provisional Local Government Finance Settlement is not expected to be announced until late December when budget plans are close to being finalised ready for Authority consideration in early February. At this stage we have assumed a slightly better outcome than in the MTFP i.e. an increase in the Settlement Funding Assessment (revenue support grant and business rate income) of 6.9% in cash terms, based on expected CPI at September 2023.
- 3.3 Ministers have previously indicated that local government should not expect to see additional funding to address inflationary pressures nor any pay award above the 2% provided for in most fire authority budgets. Given the split of fire funding across both the Home Office (HO) and Department for Levelling Up, Housing & Communities, the sector continues to compete against other policy commitments e.g. for policing and the Border Force and local government more generally.
- 3.4 The fire fighters pension grant was provided in 2019/20 in order to mitigate most of the increase in the employer contribution rate following the most recent valuation process. This one-off grant was extended into 2020/21, 2021/22, 2022/23 and 2023/24. It is again expected that the grant will roll into the base budget from 2024/25 at current funding levels, which is welcome as it provides more certainty but it does subject the funding to annual settlement fluctuations. The current MTFP assumes that funding continues at the current level of £1.734m.
- 3.5 Whilst there is uncertainty on the cost and funding of the remedy resulting from the Sargeant case (initial estimate of historic liability approx. £5m, ongoing costs £0.9m p.a.), for the latter it is now understood that the cost will impact through the next quadrennial scheme valuation i.e. from 2025/26 onwards. It is critical that the Government commits to fund the likely significant increase in employer's contribution rates resulting from the impact of remedy. The MTFP makes no allowance for any such increase. A Pension Administration reserve is held to fund costs resulting from remedy implementation. It is expected the balance of this reserve as at 31 March 2024 will be £111,000.
- 3.6 The Authority has received a fourth tranche of one-off grant of £0.358m to fund continued investment in Protection capacity in 2023/24. The Protection grant has been included in the MTFP at cash flat on a permanent basis as previously agreed. We expect that the Home Office will seek to roll the Protection Surge grant into the baseline from 2024/25. The Authority continues to lobby for a fairer distribution of the grant so that it reflects the risk and workload from the very high levels of both high and medium risk buildings within East Sussex. The current

grant is insufficient to meet the costs of meeting the Authority's new statutory and regulatory responsibilities.

- 3.7 There has been no provision for capital or transformation grants within the fire sector since 2015/16. The fire sector CSR submission highlighted the need for new capital funding to replace end of life national resilience assets for which there is no local provision. The cost of replacing those assets current allocated to this Authority is estimated at approximately £1m.

4 LOCAL POSITION

4.1 Medium Term Finance Plan

- 4.1.1 The MTFP was previously updated when the 2023/24 Budget was set in February 2023. At that stage there was a requirement to find savings of £721,000 to provide a balanced budget for 2024/25. Given the level of uncertainty about future funding we modelled two scenarios from 2025/26 which highlighted the potential need to make further savings of between £0.323m (higher range funding scenario) and £0.947m (lower range funding scenario) by 2027/28.

- 4.1.2 Given the level of uncertainty (as noted earlier) we have not updated the MTFP but provided an illustration of the potential scale of the financial challenge in achieving a balanced budget for 2024/25. A full MTFP will be presented in December 2023 and February 2024. The Authority must also consider the risks set out in paragraph 4.6 below when considering its financial planning.

4.2 Expenditure

- 4.2.1 The level of pay award for the Fire & Rescue Service will be determined nationally through the National Joint Council (NJC). Since the 2023/24 budget was approved the Grey Book pay award was agreed at 12% over two years, 3% higher than provided for in the MTFP. Local Government Employers have offered a flat rate increase of £1,925 to each employee. This is above the 4% included for 2023/24 and has been rejected by representative bodies. For the purpose of this report we have modelled an average increase of 6% for Green book staff for 2023/24. The MTFP models 2% pay awards from 2024/25, the additional pressure of agreed and expected pay awards in 2023/24 is £1.185m, as shown in Appendix 2. Given the forecast that CPI will reduce but remain above the 2% target rate for 2024/25 we have modelled a 4% pay award for all staff (at an additional cost of £528,000) as shown in Appendix 3. The Authority is asked to consider its preference for the level of pay award inflation to be included in the MTFP for 2024/25. Officer's recommendation is to make provision at 4%.

- 4.2.2 The MTFP currently provides 2.00% price inflation on goods and services in 2024/25 onwards in line with the Bank of England's target. Each 1% increase in prices is equivalent to £126,000. We are working with budget managers and with the procurement team to assess the level of indexation on our major contracts and understand the likely impact of inflation on our costs for 2023/24 and 2024/25. The Authority is asked to consider its preference for the level of

non-pay inflation to be included in the MTFP for 2024/25. Officer's recommendation is that it should be increased to 3% but continue to be held centrally as in 2023/24.

4.2.3 To provide Senior Leadership Team (SLT) with flexibility in managing budget in-year there is a Corporate Contingency included in the Revenue Budget and MTFP. This is set at £544,000 for 2024/25 and includes £181,000 relating to the centrally held inflation provision for 2023/24. This balance will be reviewed as part of the budget setting process.

4.3 **Emerging Pressures**

4.3.1 Emerging pressures have been identified through the financial position reported to Policy & Resources Panel in July and subsequent budget monitoring. However for the purposes of this report we have assumed that these will be resolved and will not place additional pressure on the 2024/25 budget.

4.4 **Capital Strategy**

4.4.1 The 5 year Capital programme is being reviewed and this will be completed through the Star Chamber process. The key threats and opportunities from a financial perspective identified so far include:

- Opportunities:
 - Potential to reduce / defer replacement of light fleet.
 - Potential to adopt alternative approaches to achieving management of contaminants in Day Crewed and On-Call Fire Stations, thereby reducing cost.
 - Slippage of capital programme in 2023/24 reducing the need to borrow and therefore revenue costs in 2024/25.
 - Reprofiling of remaining estates capital programme over a longer period e.g. 10 years rather than 5 years.
 - Use of Business Rates Pool Reserve to fund Capital Programme thereby reducing need to borrow (it is important to note that current balance of c£1.0m will only become available to spend once billing authorities' accounts for 2020/21 – 2022/23 are audited).
- Threats:
 - Significant inflation on estates capital projects that cannot be managed out through value engineering.
 - Addition of new projects e.g. Fort Road.
 - increase in borrowing costs due to rise in PWLB rates.

The view at this stage is that the overall cost of the capital programme and its revenue implications are likely to increase over the 5 years of the MTFP. Further work especially on profiling is required to establish the revenue impact for 2024/25.

4.5 **Reserves and Balances**

- 4.5.1 Reserves and balances are held in accordance with the Authority's agreed policy. The planned use of reserves and balances will be reviewed as part of the service planning process in light of the savings requirement, any changes to the Capital Strategy, the outcome of grant funding bids to Government and the need to fund the costs of up-front investment to support the delivery of savings proposals.
- 4.5.2 The level of reserves held is expected to reduce significantly over the next five years from £14.6m at the beginning of 2023/24 to £4.6m by 2027/28 comprising primarily an unallocated risk provision of £2.4m and other reserve balances of £2.2m. This position will be affected if it is necessary for the Authority to use its balances to fund spending pressures in 2023/24 or to balance its budget in 2024/25. The continued use of reserves to fund in year pressures or to balance its revenue budget is not sustainable.
- 4.5.3 The General Reserve balance is forecast to be £1.875m at the end of 2023/24, which is 4.16% of the 2023/24 revenue budget. This is below the Authority's policy minimum of 5%. The current MTFP includes provision to return it to its policy minimum level by 2025/26.

4.6 Risks

- 4.6.1 There is a range of risks that have the potential to impact on the Authority's ability to deliver its budget plans over the medium term to which Members must give consideration, primarily:
- Our ability to identify and deliver the savings required to balance the budget over the medium term;
 - The significant costs likely to arise from the remedy to the successful legal challenge to the transitional arrangements for the FPS 2015 (increased employers contributions, compensation and administrative costs) and a number of other pensions cases, and a lack of clarity on whether the Government will fund those costs;
 - Increased reliance on borrowing to fund future capital investment from 2023/24 onwards and the resulting impact on the revenue budget;
 - Lack of clarity about the financial impact of the national Emergency Service's Mobile Communication Programme;
 - The potential for pay awards to exceed the provision in the budget;
 - The potential for non-pay inflation to exceed the provision made in the revenue budget and the capital programme;
 - Uncertainty about future governance and funding including:
 - the last year of the current three-year Comprehensive Spending Review and the period from 2025/26 onwards
 - the impact of any changes to the funding formula
 - for the impact of any changes to the business rates system
 - The outcome of national elections expected in 2024 and any change to policy or funding for the fire service;
 - The impact of local growth and additional housing, road and commercial risks;

- Any further development of local devolution proposals;
- the outcomes of the White Paper, including the potential role of Police & Crime Commissioners and any impacts locally to fire service governance in Sussex;
- Outcomes for the fire service nationally and locally from the HMICFRS inspection process including the ongoing process of cultural change and strengthening of inclusion and diversity;
- The impact of the Building and Fire Safety Acts on fire service responsibilities and the resultant cost of compliance/delivery;
- The financial implications of climate change both through service delivery (response to extreme weather events) and the need to meet the national target for net zero carbon emissions by 2050.

4.7 **Financing**

Council Tax Increase

4.7.1 It is assumed the Authority will increase council tax by 2.99% in 2024/25.

4.7.2 There is no commitment to extend the flexibility to increase council tax by the higher of 2.99% or £5, as granted in 2023/24. An increase of £5 equates to 4.79% and this would result in an additional £568,676 in 2024/25. The Authority is asked to consider its policy preferences for Council Tax should the flexibility be extended to 2024/25. The Authority and the fire sector nationally continue to lobby for the £5 flexibility to be extended to 2024/25 allowing local decisions to be made on funding based on risk.

Council Tax Base

4.7.3 In the MTFP, we have assumed that growth in Council Tax base will be 1.00% year on year from 2024/25. There is limited information from billing authorities currently and it is possible that the current economic conditions and impact on households may lead to further proposals for changes to Local Council Tax Reduction Schemes (LCTRS) which would counterbalance any increase in taxbase above the current forecast. Eastbourne and Wealden are both reviewing their LCTRS. For that reason we have not proposed any change to the current forecast.

Council Tax and Business Rates Collection Funds

4.7.4 At this early stage we do not have sufficient information to assess collection rates for 2023/24 and the impact on the collection fund for 2023/24 but given the current economic conditions we have assumed a small deficit of £0.2m. We are working with the billing authorities and other major preceptors in East Sussex to improve financial monitoring and forecasting.

Business Rates

4.7.5 Business rates income is updated to reflect the latest assessment of 2023/24 income and the planning assumption that Settlement Funding Assessment will

increase by 6.9%. We have assumed that S31 Business Rate grant will continue into 2024/25 with an increase of 6.9%.

4.8 **Savings Plans and Efficiency Strategy**

4.8.1 Between 2010/11 and 2022/23 the Authority has made savings of approximately £11.2m. In 2017 the Authority determined to take a more holistic and strategic approach to delivering efficiencies that moved beyond previous approaches that had focussed on delivering savings necessary to balance the revenue budget. Officers remain committed to delivering on this approach, but it is clear that the enabling activities, for example CRM, Firewatch and Business Intelligence projects, as well as partnership projects such as Integrated Transport Function (ITF) have required increased investment and longer delivery times to put in place. Alongside delivery activity SLT and project boards continue work to identify and deliver improved return on investment and increased cashable efficiencies.

The MTFP presented in February 2023 indicated the need to make savings of £721,000 to balance the budget for 2024/25. Tranches 1-3 were identified and targeted to deliver savings of £923,000 as follows:

Tranche 1	£185,000	Remove 3 RDSO posts
Tranche 2	£108,000	Remove on-call at Lewes & Crowborough and increase wholtime crewing from 9 to 10
Tranche 3	£630,000	Structural review & related ways of working, Reduction of Estate and Departmental savings (non-staff related)

There is a high degree of confidence that Tranches 1 and 2 will deliver the target savings of £293,000. However, at this stage it is too early to say with confidence the £630,000 targeted savings from Tranche 3 will be fully delivered by April 2024.

4.8.2 The 2024/25 savings requirement now stands at £1,502,000, before any decision about increases to further inflation provision for 2024/25, as shown in Appendix 2. Increasing pay and non-pay inflation to 4% and 3% respectively increases the savings requirement to £2,145,000 as shown in Appendix 3.

At the Fire Authority meeting in February 2023, it was agreed that any residual shortfall in the MTFP would be reconciled through a refreshed set of Tranche 4 proposals. This refreshed set of proposals builds on those reported to the Fire Authority June 2023.

The list of potential savings options for 2024/25 now includes:

- Deferral of planned WT FF trainee course (c £175,000 one-off);
- A review of planned revenue investments in IT and People Strategies – initial work through Strategic Change Board indicates that this is likely to involve recycling of funding to other priority projects, thereby mitigation pressures, rather than delivering savings;

- Reduction in Workforce Transition budget – to date less than £100,000 in ongoing spend has been committed and therefore a one-off reduction of up to £200,000 may be possible, but this is dependent on the progress of the work on culture and the impact of one-off costs from Tranche 3 proposals;
- Vacancy management (c£250,000 one-off) based on an initial assessment of posts currently vacant that could be held vacant pending the outcome / full implementation of Tranche 3;
- I&E reserve removal of planned top-up in 2024/25 (£200,000 one-off);
- East option 1: Bohemia Road and The Ridge run as a single watch on 2/2/4 (-4 Watch Managers) (c£263,000 ongoing) or East Option 2: Self-rostering at The Ridge only (-4 Firefighters) (c£212,000 ongoing).

The total potential savings all tranches equals up to £1.186m on-going and up to £0.825m one-off.

In addition the level of contingency and non-pay inflation provision can be reviewed once the outcomes from Star Chamber are known. The levels of reserves and balances held will also be reviewed.

In the context of the 5 year MTFP any one off savings will need to be replaced with ongoing savings in future years in order to ensure the budget can be balanced over the medium term.

Officers are also considering the removal of top up funding for protection (c£300,000 over 3 years), this removes local subsidy for Protection Surge Grant and will increase the amount of uncommitted funding in the Business Rates Pool Reserve to fund the Capital Programme (see 4.4).

- 4.8.3 Proposals will be developed through the budget setting and service planning process and reviewed for impact and deliverability through Star Chambers before presentation to SLT in November. These proposals will be reported to the Authority in December 2023 and February 2024 for review and approval.

Appendix 1

Medium Term Financial Plan 2023/24 to 2027/28

MEDIUM TERM FINANCIAL PLAN 2023/24 - 2027/28

INCREASE COUNCIL TAX BY £5 IN 2023/24

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Gross Revenue Service Budget	45,881	45,358	45,831	46,804	47,689
Less					
Specific grants	(2,236)	(2,205)	(2,157)	(2,109)	(2,109)
Other income	(236)	(244)	(249)	(253)	(257)
Total income	(2,472)	(2,449)	(2,406)	(2,362)	(2,366)
Net Service Budget	43,408	42,908	43,426	44,441	45,323
Capital financing costs less interest receivable	751	1,026	1,337	1,670	1,727
Capital expenditure from the Revenue Account	0	0	0	0	0
Transferred from reserves	(1,062)	(211)	(5)	(5)	(5)
Transferred to reserves	1,961	2,944	3,192	3,592	3,842
Total Net Expenditure	45,058	46,667	47,950	49,699	50,887
Net Budget brought forward	41,766	45,058	46,667	47,950	49,699
Unavoidable cost pressures					
Pay inflation	605	647	649	657	670
Price inflation	246	255	259	264	270
Total inflation	852	903	908	921	940
Changes in Capital Financing	15	225	261	293	57
Budget commitments	4,124	941	21	532	191
Savings approved	(1,295)	(1,095)	92	3	0
Reserve Funding	(404)	636	0	0	0
Total Net Expenditure	45,058	46,667	47,950	49,699	50,887
Sources of Funding	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,397	2,529	2,580	2,631	2,684
Business Rate Top Up	5,379	5,670	5,783	5,899	6,017
Business Rates Baseline	7,776	8,199	8,363	8,530	8,701
Revenue Support Grant	3,662	3,863	3,940	4,019	4,099
Service Grant Allocation	408	301	307	313	319
Settlement Funding Assessment	11,846	12,363	12,610	12,862	13,120
Section 31 Grant Business Rates adjustment	2,063	2,165	2,208	2,252	2,298
Collection Fund (Deficit) / Surplus	0	(200)	(200)	(200)	(200)
Release of S31 Reserve					
Covid-19 Collection Fund Deficit 75% compensation CT & BR	56	0	0	0	0
Collection Fund (Deficit) / Surplus (Adjusted)	56	(200)	(200)	(200)	(200)
local council tax support grant					
Council Tax Requirement	31,093	32,339	33,313	34,315	35,347
Total Resources Available	45,058	46,667	47,932	49,230	50,564
Additional Savings Required / (surplus)	(0)	0	18	468	323
Additional Savings Required - Lower Range			222	880	947

The MTFP position for 2024/25 assumes £721,000 savings will be delivered through Tranches 1-4

Illustrative update for 2024/25 Revenue Budget planning

	2024/25
	£'000
Net Existing Budget Requirement (February 2023 MTFP)	46,667
New Pressures:	
Wholetime - modelled to include Grey book pay award, with 2% for 2024/25	650
Control Room- modelled to include Grey book pay award, with 2% for 2024/25	9
Principal Officers - modelled to include Gold book pay award with 4% for 2023/24 and 2% for 2024/25	23
Support Staff - modelled to include 6% for 2023/24 and 2% for 2024/25	235
On-call - modelled to include Grey book pay award, with 2% for 2024/25	244
Net Additional Pressures	1,162
New Savings:	
IRMP	(106)
Net Additional Savings	(106)
Refreshed MTFP Net Budget Requirement	47,723
Sources of Funding (February 2023 MTFP)	46,667
Additional funding:	
Business Rates Baseline	161
Revenue Support Grant	51
Service Grant	13
S31 Grant Business Rates Adjustment	50
Additional Funding	275
Refreshed MTFP Net Budget Requirement	46,942
Additional Savings required	781
Existing February 2023 MTFP Savings Requirement	721
Refreshed MTFP Forecast Savings Requirement	1,502

Illustrative update for 2024/25 Revenue Budget planning – Additional Inflationary Pressures

	2024/25		2024/25
	£'000	£'000	£'000
	As Appendix 2	Additional Inflationary Pressures	Revised
Net Existing Budget Requirement (February 2023 MTFP)	46,667		46,667
New Pressures:			
Wholetime	650	312	962
Control Room	9	3	12
Principal Officers	23	4	27
Support Staff	235	153	388
On-call	244	45	289
Non-pay inflation		126	126
Net Additional Pressures	1,162	643	1,805
New Savings			
IRMP	(106)		(106)
Net Additional Savings	(106)	0	(106)
Refreshed MTFP Net Budget Requirement	47,723	643	48,472
Sources of Funding (February 2023 MTFP)	46,667		46,667
Additional funding:			
Business Rates Baseline	161		161
Revenue Support Grant	51		51
Service Grant	13		13
S31 Grant Business Rates Adjustment	50		50
Additional Funding	275	0	275
Refreshed MTFP Net Budget Requirement	46,942	0	46,942
Additional Savings required	781	643	1,424
Existing February 2023 MTFP Savings Requirement	721		721
Refreshed MTFP Forecast Savings Requirement	1,502	643	2,145