



Our plans for the future (our revenue budget)

The additional income from Council Tax along with the better than expected Local Government Finance Settlement, savings of £0.7m mainly from reductions in the cost of non-pay spend e.g. better procurement, IT savings and the implementation of our new Integrated Risk Management Plan and reserve contributions of £0.4m will help us balance the Authority's budget and will enable us to continue to invest in the Service's life-saving work. Our revenue budget (for day-to-day spending) will increase by £1.1m. This includes an additional £0.3m to support firefighter recruitment and £0.2m to employ new trainees in our protection team, alongside pay and price inflation including the national

increase in National Insurance contributions.

There is significant uncertainty about our funding beyond 2022/23. The Government has carried out a three year spending review, but has only confirmed our funding for 2022/23. We are expecting further changes to how government funding is divided up across local services and to the amount we receive from business rates. This makes it difficult make firm plans for the future. In our Medium Term Finance Plan we have modelled three scenarios and these suggest that we may need to make new savings of between £0.2m and £3.8m by 2026/27.

We will be assessing opportunities for new savings through our Efficiency Strategy.

This will focus on a range of areas including:

- alternative ways of delivering our community safety services
- sharing services such as estates and fleet / engineering with other public sector partners
- using IT to make our processes more efficient
- reviewing our administration and management structures
- reviewing our planned investment in our estate and fleet
- reviewing operational / joint working efficiencies with other local fire services
- reviewing post-Covid ways of working.

What we spend:

	2021/22 £m	2022/23 £m	% of budget
Employees	30.4	31.2	75%
Running Expenses	11.1	11.7	28%
Capital Financing	0.9	0.9	2%
Gross Service Expenditure	42.4	43.8	105%
Income & Specific Grants	(2.6)	(2.6)	(6%)
Net Contribution to Reserves*	1.0	0.6	1%
Net Budget Requirement	40.7	41.8	100%

How we are funded:

	2021/22 £m	2022/23 £m	Proportion %
Government Grants	3.7	3.9	9%
Business rates	8.7	8.6	21%
Council tax	28.3	29.3	70%
Total Funding	40.7	41.8	100%

*The contribution to reserves is the net figure of all reserve transfers and includes the £0.4m drawdown from reserves to balance the budget.

Investing for the future (our capital budget)

As well as our day to day spending, in 2022/23 we will be investing £7.2m in total, including: £3.5m in new fire appliances and other vehicles and £3.7m in improving our buildings. This includes the refurbishment of Preston Circus Community Fire Station at a total project cost of £3.3m. This is part of a wider improvement plan for our estate over the next five years which sees a total

investment of £15.0m which will improve its efficiency and effectiveness and the health, safety and wellbeing of our staff. We expect this investment and other measures will reduce the day to day running costs of our Estate.

Income from the sales of our old HQ and other buildings, the community infrastructure levy fund (CIL) along with

other money we have and are planning to put aside are funding £11.0m to support the delivery of the Capital Asset Strategy, nevertheless the Authority is expected to require new borrowing from 2022/23, the first since January 2008.

Read more in our Fire Authority papers

www.esfrs.org/fireauthority