



<b>Meeting</b>	<b>Strategic Board</b>	<b>Agenda Item No.</b>	<b>5</b>
<b>Meeting Date</b>	<b>15 June 2021</b>		
<b>Report Author</b>	<b>Chief Financial Officer</b>		
<b>Presented By</b>	<b>Chief Financial Officer</b>		
<b>Subject</b>	<b>Medium Term Financial Strategy (MTFS) 2021/22 – 2024/25</b>		
<b>Type of Report</b>	<b>Decision</b>		

## **RECOMMENDATIONS**

Members of the board are asked to consider the attached Medium Term Financial Strategy (MTFS) and the following recommendations,

1. That the cumulative shortfall in the MTFS for the period 2021/22 to 2024/25 is £4.0m. The key movements as compared to the previously published MTFS in February 2020 (previously known as the Medium Term Financial Plan), is a result to the following changes to the assumptions:
  - a. The removal of a previous assumption regarding a reduction in the Local Government finance settlement of £1.2m per annum.
  - b. The inclusion of 6 additional training roles from 2022/23 at a cost of £0.4m.
2. To agree the assumptions and the risks set out in the MTFS.
3. To note that the Capital Financing Requirement (CFR) is projected to remain at £32m through to 2024/25.

## **OVERVIEW**

The Authority is committed to continue to improve the services it provides to the public, at the same time these services need to be affordable and sustainable.

The MTFS includes clear financial targets and objectives to ensure financial resilience over the next 4 years.

## **BACKGROUND**

The 2021/22 budget was approved on 4th February 2021 by the Police, Fire and Crime Panel.

This report sets out the MTFS for 2021/22 to 2024/25. The revenue budgets funding for this period are estimated using various assumptions.

The previously published MTFS was in February 2020 and covered the period 2020/21 to 2023/24 which showed a cumulative shortfall of £12.5m.

This MTFS is being set against the difficult backdrop of the CoVID 19 pandemic. In addition, the local current government finance settlement, published on 10 February 2021, was for a one year period. It is expected that the next local current government finance settlement will be for a 3 year period.

**OPTIONS AND ANALYSIS**

This current MTFS for the period 2021/22 to 2024/25 shows a cumulative shortfall for the period of £4.0m, this is summarised in Table 2 within the MTFS and the current assumptions are shown in Table 3.

The Service is still developing its cashable savings plans that are needed to address the cumulative shortfalls identified in the current MTFS. This will form part of a new savings and efficiency board that is in the process of being created within the Service.

**BENEFITS AND RISK IMPLICATIONS**

The main risks associated with the MTFS are highlighted within the strategy and are detailed under the following headers, national pay settlements, Firefighters pensions schemes, funding and Section 31 grant.

**FINANCIAL IMPLICATIONS**

As detailed within the attached strategy.

**EQUALITY AND DIVERSITY IMPLICATIONS**

Is this decision anticipated to have an impact on any of the following protected groups as defined within the Equality Act 2010:

<i>Race</i>	x	<i>Religion or belief</i>	x
<i>Sex</i>	x	<i>Gender reassignment</i>	x
<i>Age</i>	x	<i>Pregnancy &amp; maternity</i>	x
<i>Disability</i>	x	<i>Marriage and Civil Partnership</i>	x
<i>Sexual orientation</i>	x		

*(If an impact on one group or more is anticipated, a full People Impact Assessment must be completed).*

**WORKFORCE ENGAGEMENT**

The MTFS will provide information to all stakeholders and the public on ECFRS’s planned revenue and capital expenditure and it’s financing over the next four years.

**LEGAL IMPLICATIONS**

None specific to this report

**HEALTH AND SAFETY IMPLICATIONS**

None specific to this report