



Essex County
Fire & Rescue Service

Budget Setting Paper 2023/24 Supplementary Info (MTFS Scenario's)

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1. Background

As a supplement to the 2023/24 Budget Setting Paper being presented at the Strategic Board, this paper sets out a couple of additional Medium Term Financial Scenarios (MTFS).

The MTFS being presented in the 2023/24 Budget Setting Paper, (along with Assumptions) are shown below.

		£000's
2022/23 Green Book Pay Award (Current Offer)	Per 2022/23 Budget Pressure Schedule	500
2022/23 Grey Book Pay Award	-	0
2022/23 Utilities & Fuel	Per 2022/23 Budget Pressure Schedule	432
2022/23 Cost Pressures		932
2023/24 Pay Award (Green and Grey Book)	2.00%	1,234
2023/24 Utilities	40.00%	332
2023/24 Fuel Costs	40.00%	185
2023/24 Other Non Pay Costs	2.00%	445
2023/24 Cost Pressures		2,196
Funding		
Council Tax Precept Growth	1.99%	981
Council Tax Base Growth % (Band D)	1.10%	553
FireLink Grant	-20.00%	(100)
2023/24 Additional Funding		1,435
Shortfall In Funding		1,693

MTFS - June 2022 Strategic Board

Actuals				Medium Term Financial Strategy 2022/23-2024/25				
2019/20 £m	2020/21 £m	2021/22** £m		2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
		80.6	Core Budget before Savings & Efficiencies	84.0	84.1	87.1		255.2
		(0.6)	Identified Savings & Efficiencies	(1.8)	0.0	0.0		(1.8)
			Unidentified Savings & Efficiencies		(1.0)	(2.3)		(3.3)
		(0.6)	Total Savings & Efficiencies Planned	(1.8)	(1.0)	(2.3)		(5.1)
78.0	80.9	80.0	Core Budget after Savings & Efficiencies	82.2	83.1	84.8		250.1
0.0	0.1	1.7	Specific Costs funded by Earmarked Reserves	1.9	0.4	0.0		2.3
(77.9)	(81.7)	(80.5)	Core Funding	(82.2)	(83.1)	(84.8)		(250.1)
0.1	(0.7)	1.2	Annual Shortfall/(Surplus)	1.9	0.4	0.0		2.3
0.0	(0.1)	(1.7)	Annual (Shortfall)/Surplus - Funded From Earmarked Reserves	(1.9)	(0.4)	0.0		(2.3)
(0.1)	0.8	0.5	Annual (Shortfall)/Surplus - Funded From General Fund	0.0	0.0	0.0		0.0

MTFS as at August 2022

Actuals				Medium Term Financial Strategy 2022/23-2025/26				
2019/20 £m	2020/21 £m	2021/22** £m		2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
		79.4	Budget before Savings & Efficiencies	85.3	88.1	90.3	92.6	356.3
		0.6	Identified Savings & Efficiencies	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
			Unidentified Savings & Efficiencies		(2.1)	(2.6)	(3.2)	(7.9)
		0.6	Total Savings & Efficiencies Planned	(2.2)	(4.5)	(5.0)	(5.6)	(17.3)
78.0	80.9	80.0	Core Budget after Savings & Efficiencies	83.1	83.6	85.3	87.0	339.0
0.0	0.1	1.7	Specific Costs funded by Earmarked Reserves	1.9	0.4	0.0	0.0	2.3
(77.9)	(81.7)	(80.5)	Core Funding	(82.2)	(83.6)	(85.3)	(87.0)	(338.1)
0.1	(0.7)	1.2	Total Annual Shortfall/(Surplus)	2.8	0.4	0.0	0.0	3.2
0.0	(0.1)	(1.7)	Annual (Shortfall)/Surplus - Funded From Earmarked Reserves	(1.9)	(0.4)	0.0	0.0	(2.3)
0.1	0.8	0.5	Annual (Shortfall)/Surplus - Funded From General Fund	(0.9)	0.0	0.0	0.0	(0.9)

MTFS Movement since June 22

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
General Fund (shortfall)/ Surplus in June 22 MTFS	0.0	0.0	0.0	0.0	0.0
Favourable / (Adverse) movement in General Fund Balance	(0.9)	0.0	0.0	0.0	(0.9)
General Fund (shortfall)/ Surplus in August 22 MTFS	(0.9)	0.0	0.0	0.0	(0.9)

**2021-22 Based on Current Unaudited Accounts

2 Medium Term Financial Strategy – Scenario's

A couple of alternative MTFS Scenarios have been prepared below. In each scenario any general fund deficit that arises would need to be funded from unidentified savings and efficiencies

Scenario 1

The key assumptions for this MTFS Scenario are:

- 2022/23 – The Grey Book Pay award is based upon the current offer being made to Green Book staff. This impact is an additional unbudgeted cost pressure of £1.8m
- Pay and Non Pay Inflation for 2023/24 is 5%.
- Pay and Non Pay Inflation from 2024/25 is based on 2%.

		£000's
2022/23 Green Book Pay Award (Current Offer)	Per 2022/23 Latest Forecast	500
2022/23 Grey Book Pay Award (Based on Green Book Award)	-	1800
2022/23 Utilities & Fuel	Per 2022/23 Latest Forecast	432
2022/23 Cost Pressures		2,732
2023/24 Pay Award (Green and Grey Book)	4.50%	2,700
2023/24 Utilities	40.00%	332
2023/24 Fuel Costs	40.00%	185
2023/24 Other Non Pay Costs	4.50%	1,013
2023/24 Cost Pressures		4,229
Funding		
Council Tax Precept Growth	1.99%	981
Council Tax Base Growth % (Band D)	1.10%	553
FireLink Grant	-20.00%	(100)
2023/24 Additional Funding		1,435
Shortfall In Funding		5,527

MTFS as at August 2022

Actuals			Medium Term Financial Strategy 2022/23-2025/26				
2019/20 £m	2020/21 £m	2021/22** £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
		79.4	87.1	92.1	94.4	96.8	370.4
		0.6	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
		0.6	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
78.0	80.9	80.0	84.9	89.7	92.0	94.4	361.0
0.0	0.1	1.7	1.9	0.4	0.0	0.0	2.3
(77.9)	(81.7)	(80.5)	(82.2)	(83.6)	(85.3)	(87.0)	(338.1)
0.1	(0.7)	1.2	4.6	6.5	6.7	7.4	25.2
0.0	(0.1)	(1.7)	(1.9)	(0.4)	0.0	0.0	(2.3)
0.1	0.8	0.5	(2.7)	(6.1)	(6.7)	(7.4)	(22.9)

Scenario 2

The key assumptions for this MTFS Scenario are:

- 2022/23 – The Grey Book Pay award is based upon the current offer being made to Green Book staff. This impact is an additional unbudgeted cost pressure of £1.8m
- Pay and Non Pay Inflation for 2023/24 is 10%.
- Pay and Non Pay Inflation from 2024/25 is based on 2%.

		£000's
2022/23 Green Book Pay Award (Current Offer)	Per 2022/23 Latest Forecast	500
2022/23 Grey Book Pay Award (Based on Green Book Award)	-	1800
2022/23 Utilities & Fuel	Per 2022/23 Latest Forecast	432
2022/23 Cost Pressures		2,732
2023/24 Pay Award (Green and Grey Book)	10.00%	6,000
2023/24 Utilities	40.00%	332
2023/24 Fuel Costs	40.00%	185
2023/24 Other Non Pay Costs	10.00%	2,250
2023/24 Cost Pressures		8,767
Funding		
Council Tax Precept Growth	1.99%	981
Council Tax Base Growth % (Band D)	1.10%	553
FireLink Grant	-20.00%	(100)
2023/24 Additional Funding		1,435
Shortfall In Funding		10,064

Actuals			Medium Term Financial Strategy 2022/23-2025/26				
2019/20 £m	2020/21 £m	2021/22** £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
		79.4	87.1	96.6	99.0	101.5	384.2
		0.6	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
		0.6	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
78.0	80.9	80.0	84.9	94.2	96.6	99.1	374.8
0.0	0.1	1.7	1.9	0.4	0.0	0.0	2.3
(77.9)	(81.7)	(80.5)	(82.2)	(83.6)	(85.3)	(87.0)	(338.1)
0.1	(0.7)	1.2	4.6	11.0	11.3	12.1	39.0
0.0	(0.1)	(1.7)	(1.9)	(0.4)	0.0	0.0	(2.3)
0.1	0.8	0.5	(2.7)	(10.6)	(11.3)	(12.1)	(36.7)