

To: Policy and Resources Committee

From: Deputy Chief Executive Officer - Matthew Warren

Presenting officer: Deputy Chief Executive Officer - Matthew Warren

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Draft Medium Term Financial Strategy 2023 to 2027

1. Purpose

- 1.1 The purpose of this report is to present the draft Fire Authority medium term financial strategy (MTFS) for review and agree the proposed budget and precept for consultation.

2. Recommendations

- 2.1 The Committee is asked to:

- review and approve the attached draft MTFS,
- review the associated financial plan at Appendix 1 within it,
- agree the forecast budget for 2023/24 to include public consultation on a £4.95 council tax increase.

3. Risk Assessment

- 3.1 Economic – the significant risk to the Fire Authority budget is the current economic uncertainty and associated inflationary pressures. The Authority must be cognisant of this risk when approving the budget and associated precept for financial year 2023/24.

4. Background

- 4.1 The Fire Authority has developed its medium term financial strategy over several financial years, changing its focus depending on the specific financial and political environment at a given time.
- 4.2 Clearly, the ambition for the Authority is to be financially sustainable over the medium term. The Integrated Risk Management Plan (IRMP) is pivotal in driving all other strategies and plans across the Service. The IRMP is the strategic plan that prioritises improvement to the way that the service is delivered and prioritises how money is spent. This prioritisation flows through the wider service plans. For example, the Property Strategy considers

strategic stations for investment as these are highlighted as those stations that ensure resilience for the wider organisation.

- 4.3 The attached strategy attempts to take current IRMP priorities to produce a financial plan that is achievable across the medium term. However it must be highlighted that many factors will influence how effective it proves to be and whether it needs to be amended.
- 4.4 The Service has developed a Financial Business Continuity Plan. The purpose of this plan is to ensure that it can respond to significant changes in the financial climate. The continuity plan provides options for making savings across the Service in a managed way where the impact of any such change is understood.

5. Funding Update

- 5.1 The on-going economic uncertainty continues to be a significant risk across the public sector. It is anticipated that the Government will only provide funding certainty for 2023/24, so this is a risk for the financial strategy.
- 5.2 It is hoped that the Authority will receive its financial settlement before Christmas. Information on Section 31 grants relating to business rates will not be received until late January 2023, although indicative figures should be included in settlement figures before Christmas.

6. Council Tax Consultation

- 6.1 On 12 December 2022, Government announced changes to the amount Fire Authority council tax levels can be increased by before a referendum is required. The rate has been set at 2.99% or £5 for a Band D equivalent, whichever is higher, should funding be required.
- 6.2 The attached draft strategy and associated financial plan details a forecast budget requirement for 2023/24. The proposed budget forecast includes a council tax increase of £4.95.

Source Documents

Budget Preparation Papers 2022/23

Location: Fire Service HQ, Hinchbrooke Cottage
Brampton Road, Huntingdon

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