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Budget Book and Medium Term Financial Plan 2024/25 to 2027/28

This Budget Book details the assumptions used by the Authority for developing the 2024/25 budget, the estimates used for later years and explains the proposals contained within the Medium Term Financial Plan.

Budget estimates reflect the projected costs to deliver the corporate priorities and initiatives as set out in the Safety and Wellbeing Plan, and the updated day-to-day spending plans of each department

The Budget Strategy 2024/25 - Foreword

The purpose of the Budget Strategy

The Authority's budget ensures that resources are aligned with the corporate priorities as set out in the Safety and Wellbeing Plan, whilst also being mindful of the actions that may arise from the Community Risk Management Plan. When determining spending proposals and Council Tax increases, due consideration is taken of all potential cost pressures and savings alongside anticipated funding changes over the medium-term.

Funding the 2024/25 Budget

The Chancellor of the Exchequer delivered the Autumn Statement on 22 November 2023. The Autumn Statement made no specific reference to Fire and Rescue Services and there was very little in the way of new funding announcements for local government in general. It was, however, confirmed that the Chancellor would use new powers (The Non-Domestic Rating Act 2023) to de-couple the Business Rates multipliers, to freeze the Small Business Rates multiplier, and to index the Standard Business Rates multiplier. It was confirmed that local authorities would, again, be fully compensated for the policy decision to freeze the small Business Rates multiplier.

On 5 December, the Government released a Policy Statement confirming some of its key funding intentions ahead of the release of the Provisional Local Government Finance Settlement for 2024/25. The Policy Statement included confirmation of a CPI inflationary increase to the Revenue Support Grant (RSG) and baseline funding levels (BFLs) (Business Rates and Top-up Grant). It was also confirmed that the core Council Tax referendum principle of 3% would apply to Fire and Rescue Authorities. When the Provisional Local Government Finance Settlement was published on the 18 December much of what had already been released was restated in the announcement. The Provisional Settlement did, however, also state that the Authority's Services Grant would be reduced and that a new Funding Guarantee Grant would be provided to the Authority for 2024/25

To ensure that medium-term budget proposals are sustainable, and considering the responses to the Council Tax consultation, it is proposed that Council Tax should be increased by 2.99%, resulting in an annual increase for a Band D property of £2.61 per year, making the Band D Council Tax charge £89.91 for 2024/25.

Examples of Key Themes in the Budget Strategy

A focus on customer

- Develop different approaches for different communities and people, working with them to understand how our messaging and services need to adapt.
- Continue to deliver a wide range of prevention packages across educational settings and identified high risk groups.

Buildings and Places

- Stay updated on fire prevention research, firefighting equipment advancements, and techniques to protect people in their homes.
- Deploy customer safety specialists for home safety visits, prioritising high-need households, installing smoke alarms, and making appropriate referrals.

Climate Change and Environment

- Work with landowners, partner agencies and communities to better manage green spaces, reducing the risk of fires spreading to homes or other buildings.
- Provide additional training and wildfire equipment to operational colleagues.

Building the 2024/25 Revenue Budget

Summary Revenue Budget Changes 2023/24 to 2024/25

The Table below summarises the incremental adjustments made to the 2023/24 base revenue budget to determine the net revenue budget requirement for 2024/25

One-off Budget Adjustments for 2024/25 – Additional Explanations

An explanation detailing the reason for the funding adjustment and each of the one-off budget adjustments listed on the previous page is provided below:

Funding adjustment (Fire Pensions Grant)

Since 2019/20 the existing Fire Pensions Grant (£3.536m) has been paid to the Authority by the Home Office, outside of the Core Funding Settlement, so has been budgeted for as a grant income budget rather than Funding. From 2024/25 this grant will be paid to the Authority through the Core Funding Settlement, as an increase to the Revenue Support Grant. Therefore, the grant income budget has been removed from 2024/25. This is purely a presentational change that has no overall impact on the level of funding received by the Authority in relation to the existing Fire Pensions Grant.

Temporary budget adjustments

A net increase of £735k has been added to the revenue budget to fund temporary one-off cost pressures in 2024/25. The most significant is a one-off transfer of £600k to the Service Transformation and Productivity Reserve to fund commitments for various temporary posts and agreed project work to deliver Service improvements over the next few years. This replaces the base budget (£882k) that was included within the 2023/24 budget and has now been taken as a base budget saving in 2024/25 (see page 6). In addition, various other budgets have been temporarily increased for 2024/25 to fund one-off increases in expenditure where the additional costs cannot be contained within existing budget allocations, such as; the accounting requirement for a full property valuation to be undertaken by the external valuer in 2024/25 (as opposed to using the rollover valuation method); the requirement to replace three fuel bowsers next year having been recently condemned and; the one-off cost for ServiceMark re-accreditation (Institute of Customer Service).

Transfer to General Reserve

The amount to be transferred to the General Reserve in 2024/25 is £420k, increasing the balance of the reserve to £4.680m. This will ensure that the General Reserve balance is maintained at approximately 5% of the base revenue budget, as set out in the 2024/25 Reserves Strategy.

2024/25 Pressures Summary - Unavoidable Pay Related Cost Pressures

The Authority uses an incremental approach to develop the budget, so the 2023/24 base revenue budget has been adjusted to reflect the pay-related base budget cost pressures identified below:-

Unavoidable Pay Related Costs Pressures

Please select from below for further information

Pay Awards for 2022/23 and 2023/24

The 2023/24 revenue budget included provision for a pay award of 5% for 2022/23 for operational colleagues (as this had not been settled at the time of finalising the budget) and 2% for all staff groups for 2023/24. However, when the pay settlement for operational colleagues was agreed it was for a 2-year pay settlement which included a 7% increase for 2022/23 and a 5% increase for 2023/24, so far greater than that which had been provided for in the 2023/24 budget. It has therefore been necessary to increase the 2024/25 budget to reflect these higher than budgeted prior year pay awards. The 2023/24 pay award for corporate colleagues also settled higher (average 5.2%) than that which had been budgeted, so the pay budgets for corporate colleagues have also been increased to reflect the higher than budget pay award for 2023/24.

£3,060,000

Pay Awards and Increments for 2024/25

It has been assumed that the nationally agreed pay awards for 2024/25 will be 3% for all staff groups. A full year impact has been assumed for corporate colleagues, Directors, and the Chief Executive, whilst it is assumed that the operational colleagues pay award will continue to be applied from the 1 July. In addition, corporate colleagues who are not at the top of the scale for the grade of their post will generally receive an annual incremental pay scale increase.

£1,888,000

Actuarial valuations

As a result of the most recent Local Government Pension Scheme (LGPS) actuarial valuation the employer contribution rate will increase by 1% (to 17.5%) on 1 April 2024. The latest actuarial valuation for the Firefighters' Pension scheme (FPS 2015) will result in an increase of over 30% on the employer contribution rate from 1 April 2024 (the rate will increase from 28.8% to 37.6%). However, the Government has confirmed that a New Fire Pensions Grant will be provided to all Fire Authorities to cover the full cost, so there is no additional pressure included here for the FPS 2015 employer rate increase.

£157,000

Total Unavoidable Pay Related Cost Pressures for 2024/2025

£5,105,000

Non-pay Pressures and Funding Adjustments

Non-pay pressures

The Authority uses an incremental approach to develop the budget, so the 2023/24 base revenue budget has been adjusted to reflect the non-pay related base budget pressures identified below:-

Please select from below for further information and amounts

Inflation and Other Cost Increases

An uplift has been allocated to those budgets where the Authority is committed to pay an increased amount for 2024/25. The most significant increases include budgets for; Firefighter Injury Award Pensions which increase in line with September CPI (£181k); utilities (gas and electricity) (£363k); Business Rates (£184k); PPE and Uniform (£131k); IT costs in relation to Airwave and the Kent Public Services Network (£122k) and; water hydrant repairs (£60k). Where price increases can be contained within existing budget allocations there is a corresponding saving (£136k) (see page 6).

£1,315,000

Other pressures and Reduced Income

Several budgets have been increased to fund various initiatives and to respond to cost pressures or reduced income in 2024/25. The most significant changes are; the new budget to fund the ongoing costs in relation to the Networked Fire Service Partnership (NFSP) (£188k); the budget for vehicle servicing and maintenance has been increased by £120k due to the additional costs associated with the ageing rescue pumps, which are expected to be replaced in the coming years; the grant income budget in relation to the Firelink Grant has been reduced by £118k in line with the confirmed annual 20% reduction over 5 years; the budget for operational equipment has been increased by £100k to provide additional funding to take advantage of firefighting equipment advancements; IT budgets for computer software have been increased by £99k where projects are ending and ongoing IT costs are transferring into business as usual budgets; Business mileage budgets are increasing by £41k primarily due to additional costs following the rollout of the new Wholetime/Part-time contracts, and; income from the sale of old vehicles is expected to be £40k lower due to their age. Other minor budget pressures total £205k.

£911,000

Funding Adjustment

In previous years the Fire Pensions Grant (£3.536m) has been paid to the Authority by the Home Office, outside of the Core Funding Settlement, so has been budgeted for as a grant income budget. From 2024/25 the existing Fire Pensions Grant will be paid to the Authority through the Core Funding Settlement, as an increase to the Revenue Support Grant. Therefore, the grant income budget has been removed from 2024/25. This is purely a presentational change that has no overall impact on the level of funding received by the Authority in relation to the existing Fire Pensions Grant.

£3,536,000

Total Non-pay Pressures and Funding Adjustment for 2024/25 - £5,762,000

Total Pressures and Funding Adjustment for 2024/25 - £10,867,000

2024/25 Savings and Additional Income Summary

The Authority uses an incremental approach to develop the budget, so the 2023/24 base revenue budget has been adjusted to reflect the base budget savings and additional income identified below:-

Please select from below for further information and amounts

Net Pay Savings

All pay budgets have been thoroughly reviewed resulting in various adjustments that have provided a net base budget saving for 2024/25. Budgets set aside for allowances have been reviewed as staff have retired and, where the allowance is no longer applicable the budget has been removed. A review of pension scheme membership has been undertaken and where relevant, employer contribution budgets have been adjusted to reflect latest levels of opt-outs. Various new posts and the deletion of other posts have been agreed through the Establishment Group this year, so the pay build has been updated to reflect all agreed changes.

£-651,000

Total net pay Savings for 2024/2025 £-651,000

Non-pay savings

Please select from below for further information and amounts

Inflation on discretionary spend

Inflationary price increases on areas of discretionary spend, such as stationary, have been removed, where price increases can be contained within existing budget allocations.

£-136,000

Other non-pay savings and additional income

The largest reduction here is the removal of the base budgeted transfer to the Service Transformation and Productivity Reserve (£882k), which has been replaced with a one-off transfer of £600k, to reflect current commitments. The investment income budget has been increased by £303k, to reflect the income expected for 2024/25 based on anticipated average cash balances and interest rate forecasts. Other significant budget reductions include; a £250k reduction to the budget for Collaboration, which has historically underspent; a £100k reduction in the vehicle fuel budget as prices have reduced; a £90k reduction in the budget for contributions to the Firefighters' Pension Fund for ill-health retirements, where costs are dependent on the profile of such retirements; a £90k reduction in various IT budgets where ongoing costs have reduced; an £80k reduction in budgets for bought in services and legal fees, where these services are no longer required and; a £54k reduction in various employee-related budgets where there have been historic underspends. Other minor budget savings total £159k.

£-2,008,000

Total Non-pay Savings and Additional Income for 2024/25

£-2,144,000

Total Savings and Additional Income for 2024/25 £-2,795,000

2024/25 Subjective and Functional Budget Presentation

Subjective and Functional Analysis

The Table and Chart below summarise the total net revenue budget of £94.463m for 2024/25 by Subjective and Functional headings:-

Subjective and Functional Budget Presentation

Functional Analysis

The Chart below summarises the total net revenue budget of £94.463m for 2024/25 by Function (in £'000's) and provides details of the activity areas under each functional heading;

Functional Figures 2024/25

Please select from below for further information and amounts

Operational Response and Resilience

Includes the direct costs associated with operational response such as the costs of the co-located control centre, the management and crewing of fire stations, attendance at all incidents and servicing and maintenance of vehicles and equipment.

Also included are the costs of in-house operational training, operational pre-planning, emergency planning, technical rescue, new dimension activity and Eurotunnel.

Income is mainly from the new Fire Pensions Grant, Eurotunnel contract and government grant for technical rescue and national resilience activity.

£60,017,000

Customer services

Includes the cost of Human Resources and external training, Information Technology, Property and Facilities, Finance and Insurance, Procurement, Business Support Team (including members), Policy and Performance, and the Corporate Management Team.

Income includes the Airwaves grant, solar panel income and masts income.

£26,951,000

Customer Safety, Building Safety, Engagement and Collaboration

Includes the costs of safety related activity such as 'Safe and Well' visits and relations with local businesses ensuring that adequate fire safety arrangements are in place.

Income mainly relates to government grants for protection work and building safety work.

£7,741,000

Pensions, Financing and Other Costs

Includes the cost of Firefighter injury pensions which are not reimbursed by central Government, the cost of capital charges, borrowing costs and transfers to or from the general reserve. Also included are transfers from the infrastructure reserve to fund the 2024/25 revenue infrastructure plan, with corresponding expenditure budgets included in the relevant service headings.

Income includes interest earned on deposits.

(£246,000)

Additional Subjective Analysis - Employee Pay Budgets

The budget assumes that pay will increase by 3% in 2024/25. Approximately 82% of the net revenue budget relates to employee pay costs (£77.919m). The budget allocated to each staff group and details of which personnel sit within each staff group is described below (in £'000's):-

Please select from below for further information and amounts

Wholetime stations

Uniformed colleagues ('Grey Book terms and conditions) who are employed at wholetime and day-crewed fire stations. All whole time and day-crewed fire stations operate using the flexible self-rostering duty system.

Additional budget is provided for new recruits whilst they are on their initial-training programme. Some budget has been temporarily re-aligned from the on-call budget for 2024/25 to support appliance availability.

£33,507,000

On Call stations

Uniformed colleagues who provide front line on-call cover at on-call fire stations. Some budget has been temporarily re-aligned to the wholetime stations budget for 2024/25 to support appliance availability, whilst the ongoing issues around recruitment and retention at on-call stations continue and longer-term options are explored.

£6,756,000

Control room

Uniformed colleagues located the Police and Fire Control Centre who manage all emergency call handling for the Service

£2,258,000

Wholetime - other sections

Uniformed colleagues who are employed in areas such as Resource Planning, Operational Training, Technical Rescue, Channel Tunnel and other areas such as Customer and Building Safety.

This staff group also includes uniformed Principle Officers

£14,922,000

Green Book

Non-uniformed colleagues ('Green Book' terms and conditions) who are employed in areas such as Human Resources, Information Technology, Property and Facilities, Finance and Procurements.

This staff group also includes non-uniformed Principle Officers.

£20,476,000

2024/25 Additional Subjective Analysis - Employee Pay Budgets

The Chart below shows the 2024/25 budget and full time equivalent (FTE) for each pay group split by pay, national insurance, employer pension contributions and apprenticeship levy:-

2024/25 Additional Subjective Analysis - Reserve Transfers and Income

The Chart below provides a breakdown of the total £4.567m net transfer from reserves included within the net revenue budget of £94.463m for 2024/25 along with details of the type of expenditure funded by the reserve transfer:

The Chart below provides a breakdown of the total £9.224m income included within the net revenue budget of £94.463m for 2024/25 along with details of the type of expenditure funded by this income:

Funding the 2024/2025 Revenue Budget

2024/25 Grant Funded Expenditure

In addition to the non-specific Government grants that form part of the Authority's overall funding (pages 13 and 14), a proportion of the Authority's annual expenditure is offset by other Government grant income. These grants are usually provided for specific purposes and will therefore be matched to specific grant-related expenditure. Grant funds may be carried forward within Earmarked Reserves if they are not spent in the year in which they are allocated. Detailed below are the estimated grant allocations for 2024/25: -

Select from below for further information and amounts.

New Fire Pensions Grant

This grant is provided to cover the increase in costs resulting from the significantly higher employer pension contribution rates effective from 1 April 2024, following the latest Firefighters' Pension Scheme valuation. The employer contribution rate will increase from 28.8% to 37.6% so costs in this area will increase by over 30%.

£2,921,000

National Resilience (formerly New Dimension) Grant

This grant provides funding towards the cost of various resilience activities including the costs of the Technical Rescue team.

£1,012,000

Protection Uplift Grant

This grant provides funding to support fire protection work and to respond to new burdens arising from the Fire Safety Act.

£406,000

Building Safety Grant

This grant has been provided to bolster the building safety team and will cover the cost of 2 Inspecting Officer posts.

£98,000

Firelink Grant

This grant partly covers the difference between the annual charge for the Firelink managed service radio scheme and the legacy costs of the now decommissioned radio scheme. Following confirmation of government intentions to phase this grant out over 5 years, this grant has been decreased by a further 20% for 2024/25.

£237,000

Apprenticeship Levy

The Authority can draw down funds from the apprenticeship levy to fund the cost of eligible training expenses.

£24,000

Total Specific Government Grant Income £4,698,000

2024/25 Sources of Funding the Net Revenue Budget

For 2024/25 the Authority will receive funding from Council Tax, Business Rates, Collection Funds (prior years Council Tax and Business Rates surplus' or deficits), Revenue Support Grant, Top-up Grant, Business Rates Section 31 Grants, Services Grant and a new Funding Guarantee Grant, each of which are described below:-

Council Tax Precept

Around 64% of the Authority's funding comes from Council Tax. The level of Council Tax raised is affected by the level of Council Tax discounts given by billing authorities (Medway Council and Kent District Councils) to Council Taxpayers on low incomes and the level of exemptions granted. The level of discount can also have an impact on collection rates. The amount to be collected from Medway Council and Kent District Councils for 2024/25 is £60.399m.

Business Rates and Top-up Grant

50% of the income from Business Rates is paid to the Government with the remaining 50% being retained locally, from which fire and rescue authorities (FRAs) receive a 2% local share. Authorities that collect more than the amount specified by the Government will pay a levy to the Government and those that collect less may receive a safety net payment. This Authority is part of a pooling arrangement with Kent County Council and the majority of Kent District Councils. This Authority's share of the amount to be collected from Medway Council and Kent District Councils for 2024/25 is £7.504m. As the Authority's Business Rates Baseline is less than the Baseline Funding need, the Government will also pay a Top-up Grant which is expected to be £8.892m.

Collection Funds

Each year there can be either a surplus or a deficit on the Collection Funds if the amount collected for Council Tax and Business Rates differs from estimates (assumed by the Districts and Medway) when setting budgets in prior years. Overall there is a net surplus of £141k to be paid to the Authority in 2024/25.

Revenue Support Grant (RSG)

The Government continues to redistribute funding through the payment of RSG. From 2024/25, the authority has received confirmation that the existing Fire Pension Grant (£3.536m) will be rolled into the RSG allocation, so a total grant of £11.352m is now expected for 2024/25.

Section 31 Grants

The Government continues to provide additional funding to authorities to compensate for the continued impact of the cap on the small business rate multiplier and other reliefs given. The amount of Section 31 grant expected for 2024/25 is £4.508m.

Services Grant

A reduced Services Grant will be provided to the Authority in 2024/25. The grant is not ring-fenced but it is intended to provide additional support for services provided. This grant is anticipated to be phased out from 2025/26 and a significantly reduced amount of £95k is expected for 2024/25.

Funding Guarantee

The government has committed to increasing Core Spending Power (CSP) for each authority by at least 4% for 2024/25, with additional funding for those authorities whose Settlement calculation is below this figure. This authority falls into this category so will receive additional funding of £1.572m for 2024/25.

The Chart below shows how the Authority's funding sources have changed between 2021/22 and 2024/25. Total funding has increased by 32.9% (£23.387m) since 2021/22, of which 12.6% relates to Council Tax and 20.3% relates to Business Rates, Government Funding and rolling of grants into base funding:-

Council Tax and Business Rate Income – Additional Information

Council Tax Base

The Authority's tax base is the sum of the tax bases of the 12 Kent District Councils and Medway Council (billing authorities) and is expressed as the numb.

Council Tax Referendum Limits

In recent years the Government has set a cap on the amount by which a local authority can increase its Council Tax each year without the requirement to hold a referendum. For 2024/25 Fire and Rescue Authorities can increase the charge by up to 3% without the need to hold a referendum.

Household Council Tax

To arrive at the annual Council Tax charge that is made to each household, the Authority's Council Tax charge is added on to the charges set by Kent County Council or Medway Council, plus the charges set by the relevant District Council, Kent Police and if applicable the Parish or Town Council charge. The total is then collected by the District Councils and Medway Council (billing authorities), on behalf of all the different precepting authorities.

Council Tax Increase

The proposed Council Tax increase set out in this MTFP is 2.99% for 2024/25, a £2.61 a year increase for a Band D property (around 5p per week), increasing the Band D charge to £89.91 for 2024/25.

Council Tax and Business Rate Income – Additional Information

The Table below shows a breakdown of the funding sources for the 2024/25 budget and the amount of this Authority's Council Tax charge by Council Tax band:-

Revenue Reserves Summary

Revenue Reserves Summary

Details of the Authority's General Reserve and each Earmarked Reserve are given below:-

General Reserve

Provides a contingency to cushion the impact of unexpected events or exceptional costs, and in extreme circumstances would be used to provide a working cash balance to cushion the impact of uneven cash flows to help avoid unnecessary temporary borrowing. For example, the General Reserve could be used to fund an unforeseen loss on the Authority's share of Kent District's and Medway Council's Business Rate collection funds. Within the 2024/25 Reserve Strategy, it is proposed that the level of General Reserve is set at approximately 5% of the Authority's base revenue budget. The appropriateness of this level is assessed on an annual basis, through a detailed risk assessment.

Earmarked Reserves

Sums specifically set aside not only provide funds to meet future known or predicted expenditure or liabilities, but also support the transformation of the service to ensure it is fit for the future. Earmarked Reserves are typically used to smooth the impact on the revenue budget (and Council Tax) of expenditure that would otherwise cause significant fluctuations in the annual budget requirement, such as expenditure on the replacement of vehicles and equipment. Earmarked Reserves are also of use where there may be plans to introduce a policy change or a service improvement which initially requires a one-off increase in expenditure for which additional resources are required, or where there is a future budget liability or pressure which is known, but for which the timing of payments or change in funding is uncertain. The purpose of each reserve is clearly defined, with regular reviews to ensure continued relevance and adequacy.

Government Grants

Used to carry forward unspent Government grants.

Infrastructure

Used to fund revenue and capital investment in infrastructure assets (premises, IT, vehicles, and operational equipment) and reflects funding for a significant programme of investment in these areas over the medium-term.

Insurance and Resource

Used to smooth the impact of insurance claims volatility and the annual variability in legal costs incurred when enforcing building safety regulations. The reserve will also be used to fund any significant one-off costs that may arise in-year, for example for higher levels of pay awards, compared to that planned for in the MTFP or any other unforeseen significant cost increases which may arise after the budget is agreed. Future funding levels remain uncertain so this reserve may be used to temporarily balance the budget where there is a timing difference in cuts to funding and the delivery of budget savings. Funding will also be set aside in this reserve each year to fund the end-of-lease costs for returning the property leased for vehicle servicing and maintenance, to the state it was at the start of the lease.

Rolling Budget

Used to fund committed expenditure where the goods or services will not be received or delivered until the following financial year.

Service Transformation and Productivity

Used to help pump-prime new transformation initiatives or improvements to the Service which may arise in-year or be planned for future years. Also used to support collaborative initiatives with other blue light services and partner agencies

Revenue and capital reserves summary

The Table below shows the forecast closing revenue reserve balances along with the estimated closing capital receipts balances for the years 2023/24 to 2027/28. Figures exclude any transfer to reserves that may be required at year-end as a result of the forecast underspend on the 2023/24 revenue budget.

Medium Term Financial Plan

2024/25 – 2027/28

Revenue Budget Assumptions (Funding, Pressures and Savings)

The revenue budget funding for 2025/26 to 2027/28 is estimated using various assumptions, as much of the information required to set the medium-term budget is not yet known. As detailed within the budget report, the Government has only confirmed funding for 2024/25. On that basis a prudent approach has been taken in estimating funding that may be received from central Government in future years. Details of the main assumptions used in estimating the revenue budgets for 2025/26 to 2027/28 are detailed below:-

The main funding assumptions at this point in time are:-

- The Settlement Funding Assessment (Revenue Support Grant, Baseline Business Rates and Top-up Grant) will increase by only 1% each year from 2025/26 to 2027/28.
- Retained Business Rates Growth (£216k) will be removed from 2025/26.
- Business Rates and Top-up Grant compensation grants (Section 31 grants) will increase by only 1% each year from 2025/26 to 2027/28.
- The Services Grant will be discontinued after the 2024/25 financial year.
- The Funding Guarantee Grant will be one-off for 2024/25 only.
- The Council Tax base will increase by only 1% each year from 2025/26 to 2027/28.
- Council Tax charge increases will be just below an estimated 2% referendum limit each year from 2025/26 to 2027/28.
- There will be no surplus or deficit on the Collection Funds each year from 2025/26.
- Other Section 31 grants (New Fire Pensions Grant, National Resilience Grant, Protection Uplift Grant etc.) will continue at the same rate each year.

Once further clarity is available on the level of funding available in future years, the scale of the savings that the Authority needs to make may change.

Anticipated Budget Pressures

Anticipated Budget Savings

Other Savings to be Identified

The MTFP is currently showing that £1.232m of unidentified base budget savings are required to balance the budget in 2025/26 and a further £104k in 2026/27. As funding levels beyond 2024/25 are highly uncertain the timing and amounts may change as and when future funding levels are confirmed.

Summary Revenue Budget Estimates

Summary Revenue Budget Estimates

The Table below summarises the base budget changes in each of the financial years between 2024/25 and 2027/28. Also shown is a breakdown of funding sources and additional information with regards to increases in Council Tax receipts for the same years:-

Analysis of Projected Future Council Tax Income

Medium Term Infrastructure Plan 2024/25 - 2027/28

Medium Term Infrastructure Plan – Capital and Revenue

The Capital Plan has been developed in line with the corporate priorities as set out in the Safety and Wellbeing Plan. The main areas contained within the Capital Plan are detailed below:-

Building works

A programme of refurbishment and improvement works is in place to not only ensure that the Service and its operational bases remain fit for the future but also to improve efficiency and to enable the Authority to achieve carbon neutrality by 2030. Major works are ongoing at the Ashford site which include a new Live Fire training facility. It is expected that the work will be completed towards the middle of 2025/26. Additional works across the estate for roofing replacements, boilers and heat pumps, solar panels and fuel tanks are also programmed up to 2027/28.

Vehicle replacements

There is a comprehensive long-term programme in place for the replacement of the operational fleet of fire engines and other vehicles, which is reviewed on a regular basis to determine any change in the numbers and types of vehicles that may be needed to facilitate operational capability. Another 34 self-charging hybrid vehicles are expected to be delivered in 2024/25 and another 10 in 2026/27. A further 44 new Rescue Pumps are expected to be delivered up to 2027/28. There are also a number of specialist vehicles that are planned for delivery up to 2027/28, such as a fleet of small and medium sized vans, bulk water carriers and Incident Command Units.

Information and Communication

Planned hardware upgrades to Mobile Data Terminals (MDTs) tablets for operational staff, satnav and mobile devices are currently scheduled for 2025/26. Plans are also in place to upgrade the printing capabilities in 2027/28.

Revenue Expenditure Plan

One-off expenditure in relation to premises, IT and operational equipment that does not meet the criteria for capitalisation is funded via the Infrastructure Revenue Plan.

Premises

There is a programme of climate works, security upgrades, and fire compartmentation works planned over the next few years. Work on the new Fleet workshop unit are scheduled to be undertaken in 2024/25.

IT

Significant IT investment is planned, including key internal support systems such as; the fleet and operational equipment management systems; operational response systems and; a review of the Command-and-Control system. Incident Command Units also require IT upgrades in 2025/26 and the replacement of Audio-Visual equipment, increased wireless access, mobile phone provision and data connectivity is also planned.

Equipment

There are plans to upgrade various items of operational equipment in the near future including Breathing Apparatus, PPV fans, Hand tools, ladders scene lighting and Thermal imaging cameras.

Medium Term Infrastructure Plan - Expenditure

The Tables below detail the capital and revenue infrastructure spend provisionally planned between 2024/25 and 2027/28:-

The Chart below details the capital and revenue infrastructure spend provisionally planned between 2024/25 and 2027/28:-

Infrastructure Plan - Funding and Reserve Balances

The Infrastructure Plan is funded from various sources, each described below:-

Revenue Contributions / Reserves

The base revenue budget has a level of funding which is used to support the funding of both the revenue and capital infrastructure plans. If all of this resource is not used in-year, then it is carried forward in the Infrastructure Reserve for use in future years. The Infrastructure Reserve is used to fund revenue and capital investment in infrastructure assets to ensure continuous development and improvement across the organisation.

Capital Receipts

The use of capital receipts from the disposal of assets is governed by Regulations and can only be used to fund capital expenditure and repay debt. Where properties are identified as surplus to operational requirements, Members approval is sought for their disposal. Cash receipts which are generated from the asset disposal, and which are in excess of £10k, must be used to support new capital investment or offset future debt or transitional costs. Capital Receipts cannot be used to fund day-to-day revenue expenditure. As at 31 March 2024 unapplied capital receipts, mainly arising from the previous disposal of a number of the Authority's assets, including redundant fire stations, land and unoccupied housing are forecast to total £7.894m.

Grant Funding

On occasions, the Authority may receive grant funding that can be utilised towards various infrastructure projects if the conditions relating to the funding are met and there are no restrictions surrounding the use of the grant funding, such as the utilisation of the Grenfell Infrastructure Grant to fund the purchase of PPV fans planned for 2024/25.

Prudential Borrowing

The Authority can use prudential borrowing to fund capital expenditure provided that such borrowing is affordable, prudent and sustainable over the medium term. A range of calculations (prudential indicators) are completed as part of the annual budget setting process to evidence this. These make sure that the cost of paying for interest charges and the repayment of principal is taken into account when developing the Medium-Term Financial Plan.

Internal borrowing

Will be used to finance the Ashford Fire Station Redevelopment project with a view to potentially undertaking external borrowing in later years. Internal borrowing requires an amount to be set aside in the revenue budget (Minimum Revenue Provision) to repay the principal amount and although interest charges will not be incurred on internal borrowing it will result in reduced investment income as the funds will no longer be available to invest.

The Tables below show the funding sources for the capital plan plus anticipated balances on the capital receipts and infrastructure reserves for 2024/25 to 2027/28.