

## **Report of the PFCC for North Yorkshire to the Police, Fire and Crime Panel**

**27<sup>th</sup> January 2023**

**Status: For decision**

### **The 2023/24 Fire Precept Proposal**

#### **1 Purpose**

- 1.1 Legislation requires that I agree my budget and associated precept and basic council tax for the forthcoming year before 1<sup>st</sup> March each year. However before doing so I must notify this Panel of the precept which I propose to issue for the following year.

#### **2 Recommendations**

- 2.1 The Panel is asked to consider my proposal to set the Band D Fire Element of the Council Tax within North Yorkshire for 2023/24 at £80.61. This is an increase of £5, or 6.6%, over the 2022/23 level.
- 2.2 The Panel is asked to note that in making this proposal I have taken into account the limits placed on precept increases for Fire Authorities by the Government before having to undertake a costly referendum, and the results of consultation with the public of North Yorkshire in relation to the level of precept for 2023/24. This consultation had 2,343 responses, a summary of the results is provided at Appendix 4.
- 2.3 The Panel is asked to support this proposal.

#### **3 Reasons**

- 3.1 The balance of the cost of the fire service not paid for by central government is met by local taxpayers through a precept on their council tax. In North Yorkshire this will equate to just over 63% of the overall income that I expect to receive in 2023/24. It is the responsibility of the two local billing authorities to collect this.
- 3.2 Legislation requires the precept for 2023/24 to be set before 1<sup>st</sup> March 2023 and that the first step in enabling this to happen is that I am required to inform this panel of my proposed precept by the 31<sup>st</sup> January 2023. Which I did by submitting this report prior to that date.

- 3.3 In making my proposal on the Fire precept I have taken into account the following:
- The views of the public of North Yorkshire
  - The financial impact on the people of North Yorkshire.
  - The financial needs of the organisation as currently projected both for 2023/24 and in the future.
  - The limits imposed by the Government on a precept increase before a referendum would be triggered in North Yorkshire.
  - I have discussed my proposals with the Chief Fire Officer and engaged and consulted with the public on the options available to me.

### **Current Financial Position and Context**

3.4 Local Government Finance Settlement 2023/24

3.5 On 19 December 2022, the Secretary of State for Levelling Up, Housing and Communities Michael Gove MP, set out the Provisional Local Government Finance Settlement for 2023-24 in the form of a Written Ministerial Statement. Alongside the statement, details of the provisional settlement have been published on the Gov.uk website. The Secretary of State stated that the proposals announced today “give multi-year certainty to local authorities, allowing them to plan ahead with more confidence over the rest of the Spending Review period”

3.6 Headlines

3.7 In early December, civil servants from the Department for Levelling Up, Housing and Communities, shared a “policy statement” which contained some indications of what the announcement would include. The Settlement went on to confirm much of the policy statement and provided the following headlines:

- Stand-alone Fire and Rescue Authorities precept flexibility of £5 in 2023-24 only.
- Standalone FRA’s Core Spending Power (CSP) reported as a 7.4% increase (£110m), estimated to increase to 9.4% (£140m) when considering the increased council tax flexibility.
- The Rural Services Delivery Grant for 2023-24 is cash flat. Allocations are unchanged from 2021-22, with the total funding equalling £85m.
- Fire Pensions Grant have been confirmed at Flat Cash again.
- Spring Budget on 15 March 2023.

3.8 The Policy Statement indicated that in 2024-25 (year 2) Core Grants and RSG will continue to increase in line with baseline funding levels, i.e., September 2023 CPI inflation.

### 3.9 Business Rates

3.10 As announced at the Autumn Statement, the small business rate multiplier is frozen at 49.9p in the pound; rather than increasing by 6% to 52.9p.

3.11 2023 is also a revaluation year and Government have confirmed that Local Authority's will be compensated "as if there was no revaluation" – in other words as if business rates had gone up by September CPI (10.1%) and not the 6% increase in the small business rates multiplier

3.12 What does this mean for North Yorkshire Fire in 2023/24 in terms of Funding?

3.13 Based on the precept being proposed, of £80.61 for a Band D property, then the overall impact on the Core Spending Power for the organisation is set to increase by 8.1%, or just over £2.7m, as set out in the table below:

Local and Government Funding	2023/24	2022/23	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
<b>Government Funding</b>				
Total Settlement Funding	(9,284)	(8,738)	(546)	6.2%
Rural Services Grant	(540)	(540)	0	0.0%
Services Grant/Funding Guarantee	(268)	(424)	156	-36.8%
Compensation for Underindexing of Business Rates	(1,088)	(629)	(459)	72.9%
<b>Total Government Funding</b>	<b>(11,180)</b>	<b>(10,331)</b>	<b>(848)</b>	<b>8.2%</b>
<b>Impact of a £5 (6.6%) increase in Band D Precept</b>				
Net Surplus on Collection Funds	(129)	(87)	(42)	
Council Tax Requirement	(25,123)	(23,285)	(1,838)	
<b>Total Local Funding</b>	<b>(25,253)</b>	<b>(23,372)</b>	<b>(1,881)</b>	<b>8.0%</b>
<b>Total Government + Local Funding</b>	<b>(36,432)</b>	<b>(33,703)</b>	<b>(2,729)</b>	<b>8.1%</b>

3.14 These numbers are subject to potential changes when the collection fund position for Business Rates are finalised, and also when the projections of Business Rates funding for 2023/24 is confirmed from the 2 Councils.

3.15 North Yorkshire Fire receives £540k in terms of Rural Services Delivery Grant, this has remained the same cash value as 2021/22 and therefore in real terms this grant has decreased in value again.

3.16 "One-Off" Services Grant

3.17 The settlement indicated that the "One-Off" Services Grant, which was introduced in 2022/23 and worth £822m, will reduce to £464m in 2023-24.

3.18 This reduction is partly to reflect the recovery of the funding provided last year for the increases to the National Insurance rate of 1.25% which has now been reversed.

3.19 The impact of which for North Yorkshire Fire is a reduction in funding from £424k to £268k.

- 3.20 The projected 8.1% overall increase, as set out with the table above, is significantly below the average increase expected for Standalone Fire and Rescue Authorities of 9.4%. This 1.3% difference is the equivalent of £440k less of an increase in funding compared to the 'average' percentage increase.
- 3.21 The lowest increase expected in the country is 6.3% (Manchester) whereas the highest is forecast to be 16.3% (London), although the next highest is 10.9% (Lincolnshire).
- 3.22 Based on the analysis produced by the Government, North Yorkshire Fire is forecast to receive the 14<sup>th</sup> lowest increase in the country (out of 44). Although this is significantly better than last year where the funding increase was the 3<sup>rd</sup> lowest.
- 3.23 Funding beyond Core Spending Power
- 3.24 Pensions Grant  
In early September 2018 HM Treasury announced changes to the discount rate for unfunded public-sector pensions including fire. This, combined with the earlier announcement at Budget 2016, had resulted in a reduction to the discount rate from 3% to 2.4% and had the effect of increasing the employer contributions (to include ill-health costs) from 17.6% to 30.2% from April 2019. The Government Actuary's Department estimated that the additional cost to fire as a result would be around £108.5m per annum.
- 3.25 HM Treasury indicated that additional funding would be provided to public sector bodies in 2019-20 to mitigate most of this increase, with the sector "paying only the additional costs announced at Budget 2016" (a reduction in the discount rate from 3% to 2.8%). This means that fire will pay £10m of the additional costs in 2020/21, with the remaining £98.5m being provided via a grant under section 31 of the Local Government Act 2003. Although FRAs have some cost to bear they have come out relatively well when compared to the Police.
- 3.26 This Grant seems to be now embedded within the financial settlements and whilst it hasn't been included within the Core Spending Power and Government Grant funding, it is expected that the grant will continue at the same cash level over the life of the spending review period. The plans therefore include this grant at £1,711k each year.
- 3.27 The Grant has remained at the same cash level for 5 years now and therefore has decreased in real terms which adds additional pressures for each year that this policy is continued.
- 3.28 Firelink Grant
- 3.29 The Home Office had previously written to Fire Authorities during 2022/23 indicating that this grant will be phased out by 2026/27. Therefore the £230k that was received by North Yorkshire in 2021/22 will reduce by £45k per year. The grant is not included within the Core Spending Power analysis.

### **Funding for 2024/25 and beyond**

3.30 2024/25 is the final year of the current Spending Review period and the Government have indicated within their Policy Statement that in 2024-25 (year 2) Core Grants and RSG will continue to increase in line with baseline funding levels, i.e., September 2023 CPI inflation. The current plan has assumed that this will be 5%, before reverting to 2% increases thereafter.

3.31 While the Policy Statement did not indicate the maximum level of precept increase that will be applicable to Fire Authority's in 2024/25, it did indicate that 'For council tax, the government is giving local authorities in England additional flexibility in setting council tax by:

- Protecting local taxpayers from excessive increases in council tax, by setting the referendum threshold at 3% per year from April 2023 for shire counties, unitary authorities, London boroughs, and the Greater London Authority, without a local referendum

3.32 The current plan therefore assumes that Fire Authorities will be afforded, at least, the same opportunity to consider a precept increase of up to 3% per year, and therefore this plan assumes a 2.99% increase each year.

### 3.33 MTFP Assumptions

A review of the assumptions within the MTFP has been undertaken, these will remain under review and are updated with the best information available, the current assumptions incorporated into the MTFP for 2023/24 and beyond are as follows:

- Pay Awards: Pay Increase of 4% in 2023/24, followed by 2% increases thereafter
- Precept: Increases of 2.99% per annum
- Tax Base increases 1.2% in 2023/24, 1.2% in 2024/25 before returning to 1% increases,
- Government Grants: 2024/25 – CPI increase of 5% followed by 2% per year thereafter
- Pensions Grant continued to be paid at £1,711k per annum.
- Nil impact from any Fair Funding/Funding Formula review
- Nil impact from Business Rates Retention
- Rural Service Delivery Grant continues at £540k per annum.
- One-off Services Grant is added into the overall funding baseline.
- Inflation: 2% for most non-pay areas from 24/25 onwards.

### 3.43 **Income Forecasts**

3.44 Based on these revised assumptions and the information received and forecast around other areas of funding then the entire funding expected to be available for the Fire Service for the next 4 years, in comparison to 2022/23, is as follows:

	Actual	Forecast	Forecasts		
	Budget	Budget	2024/25	2025/26	2026/27
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
<b>Funding</b>					
Total Settlement Funding	(8,272)	(9,284)	(9,748)	(9,943)	(10,142)
Rural Services Grant	(540)	(540)	(540)	(540)	(540)
Council Tax Precept 1.99%	(23,285)	(25,123)	(26,178)	(27,225)	(28,314)
Council Surplus/Deficit	(87)	(129)	(100)	(100)	(100)
NNDR Surplus/Deficit	806	27	6	6	6
<b>Funding for the Net Budget Requirement</b>	<b>(31,379)</b>	<b>(35,049)</b>	<b>(36,560)</b>	<b>(37,802)</b>	<b>(39,090)</b>
%age change in Net Budget Requirement		11.7%	4.3%	3.4%	3.4%
S31 NDR Grants and Specific Grants	(5,399)	(4,452)	(4,469)	(4,423)	(3,943)
General Income	(567)	(550)	(588)	(550)	(560)
<b>TOTAL FUNDING</b>	<b>(37,345)</b>	<b>(40,051)</b>	<b>(41,617)</b>	<b>(42,776)</b>	<b>(43,593)</b>
%age change in Total Funding		7.2%	3.9%	2.8%	1.9%

3.45 Once all funding sources have been factored in then we currently forecast that Total Funding will increase by **just over £2.7m**, or 7.2% in 2023/24.

### 3.46 **Pay Increases and Inflation Pressures**

3.47 While the overall increases in Total Funding seem reasonable across the life of the plan, and very good in 2023/24, it is important to reflect on the additional costs that need to be funded from these increases.

3.48 The 2022/23 pay budgets had forecast that pay awards would be 3% during 2022/23. However, given the significant increases in inflation that have occurred since the budget was set, both pay awards are now expected to be significantly higher than this.

3.49 For Staff an increase of £1,925 per FTE was agreed with effect from the 1st April 2022, which equated to an increase of 6.5% across those roles within Fire, and is forecast to cost the Service £128k more in 2022/23, rising to £145k by the end of the current MTFP period.

3.50 The current offer for Fire Fighters is for an increase of 5%, with effect from the 1st July 2022, this offer has been rejected however the costs of this offer have been factored into the current financial forecasts.

3.51 A 5% pay award is 2% above the budget that was previously assumed within the MTFP. If this 5% is agreed then this would add the following costs to increase within the MTFP by:

- 2023/24 - £460k
- 2024/25 - £470k
- 2025/26 - £480k

- 3.52 If the 5% is not agreed then each additional 1% above the 5% current offer would cost around £170k more in 22/23 and £230k more in 2023/24.
- 3.53 In addition to the current year position on pay the MTFP now forecasts that the pay award for all employees will be 4% for 2023/24.
- 3.54 The impact of these assumptions are additional costs of almost £1.5m in 2023/24, in comparison to the 2022/23 position.

<b>Forecast additional Pay Costs</b>			
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Impact of 22/23 £1,925 Support Staff Pay Award	135	140	145
Assume 5% FF Pay Award in 22/23	460	470	480
Assume 4% Support Staff Pay Award in Apr-23	150	155	160
Assume 4% FF Pay Award in 23/24	720	980	1,000
<b>Total Forecast Additional Pay Costs</b>	<b>1,465</b>	<b>1,745</b>	<b>1,785</b>

- 3.55 The pay assumptions alone take up over half of the £2.7m increase in funding that is forecast between 2022/23 and 2023/24.
- 3.56 In addition to pay pressures, there are a significant number of non-pay pressures in 2023/24 arising mostly from inflation.

<b>Impact of Inflation and Pressures/Growth on Non-pay Budgets:</b>			
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Premises	290	336	383
Transport	180	196	213
Supplies and Services	430	375	530
External Agreements	70	75	81
PFI	180	223	267
Capital Financing	650	1,295	1,327
Pensions	60	90	105
<b>Total Forecast Additional Non-Pay Costs</b>	<b>1,860</b>	<b>2,590</b>	<b>2,905</b>

- 3.57 The areas of significant increase are as follows:
- 3.58 **Premises Costs** are forecast to increase by £290k (14%) as result of higher Gas, Electricity and Cleaning costs.
- 3.59 **Transport Costs** are forecast to increase by £180k (21%) as result of higher fuel prices, higher costs of vehicle maintenance and repairs, and higher insurance costs.
- 3.60 **Supplies and Services Costs** are forecast to increase by £430k (11%) as a result of higher license costs, insurances, equipment, furniture and materials costs and general inflationary pressures across most aspects of the budget.
- 3.61 **PFI Costs** are forecast to increase by £180k (11%) as the contract price is linked to RPI increases.

3.62 **Capital Financing Costs** are forecast to increase by £650k in 2023/24. Most of this relates to plans to increase the revenue contribution into the Capital Programme by £480k to try to reduce the need to borrow more in future years.

3.63 Putting together all of the cost increases results in potential additional costs and pressures of:

<b>Forecast additional Pay Costs</b>			
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Impact of 22/23 £1,925 Support Staff Pay Award	135	140	145
Assume 5% FF Pay Award in 22/23	460	470	480
Assume 4% Support Staff Pay Award in Apr-23	150	155	160
Assume 4% FF Pay Award in 23/24	720	980	1,000
<b>Total Forecast Additional Pay Costs</b>	<b>1,465</b>	<b>1,745</b>	<b>1,785</b>
<b>Impact of Inflation and Pressures/Growth on Non-pay Budgets:</b>			
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Premises	290	336	383
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Supplies and Services	430	375	530
External Agreements	70	75	81
PFI	180	223	267
Capital Financing	650	1,295	1,327
Pensions	60	90	105
<b>Total Forecast Additional Non-Pay Costs</b>	<b>1,860</b>	<b>2,590</b>	<b>2,905</b>
<b>Potential Additional Costs and Pressures</b>	<b>3,325</b>	<b>4,335</b>	<b>4,690</b>

3.64 As set out above the vast majority of these increases are unavoidable costs. Even setting aside the £480k increase in the contribution to capital, **the unavoidable cost increases total over £2.8m in 2023/24 alone and this assumes the current FF pay offer of 5% is accepted and that the 2023/24 pay award is 4%.**

3.65 This absorbs all of the forecast increase in income in 2023/24.

3.66 Projected increases in income in future years are expected to be absorbed by increases in both Pay and Non-Pay inflation. This will therefore require the Service to become either more efficient and/or change its future operating model to be able to invest further in the future beyond the currently agreed RRM proposals.



3.67 **'Normal' Savings Plans**

3.68 The search for savings and efficiencies continues to receive a lot of focus and a further **£450k of non-pay savings/reductions** (equivalent to around 5% of our Indirect staff and non-staff costs) have been factored into the 2023/24 MTFP, these are summarised below:

- Supplies and Services - £345k
- Operating Leases - £35k
- PFI - £20k
- Other Employee Expenses - £40k
- Other - £10k

3.69 **Savings from Employers Pensions Contribution Rates**

3.70 During 2022/23 the North Yorkshire Pension Fund underwent its 3-yearly actuarial valuation, with the result communicated to the Fire Authority during November 2022.

3.71 The North Yorkshire Pension Fund is the Pension Fund that Staff, not Firefighters, have the option to access as part of their terms and conditions of employment.

3.72 The valuation sets out the Employers Contribution rates for the next 3 years, and for Fire these will be:

- 2023/24 - A reduction from 16.8% to 13.4% - **Saving £105k**
- 2024/25 – A reduction from 13.4% to 10% - **Saving a further £105k**
- 2025/26 – A reduction from 10% to 6.6% - **Saving a further £105k**

3.73 These changes are therefore expected to save £315k per year by 2025/26.

3.74 **Risk and Resource Model**

3.75 On the 27<sup>th</sup> September 2022 the Commissioner [approved](#) the new North Yorkshire Fire and Rescue Service Risk and Resource Model 2022-25, subject to stipulations placed on some proposals.

3.76 The changes that have the most impact in terms of cashable efficiencies are as follows:

- That the proposal to change Huntington to an On-call fire station be approved.
- That the proposal to replace the Tactical Response fire engine at Harrogate with an Emergency Rescue fire engine which will be crewed only during peak demand hours be approved.
- That the proposal to replace the Tactical Response fire engine at Scarborough with an Emergency Rescue fire engine which will be crewed only during peak demand hours be approved, subject to certain stipulations.

3.77 The financial plans for 2023/24 and beyond assume that all of the proposals set out within this decision are implemented.

3.78 In terms of the cashable efficiencies, from the RRM, the financial plans assume that these will be implemented as follows:

<b>RRM Efficiencies</b>	<b>2023/24</b>		<b>2024/25</b>		<b>2025/26</b>		<b>2026/27</b>	
	<b>£k</b>	<b>FTE</b>	<b>£k</b>	<b>FTE</b>	<b>£k</b>	<b>FTE</b>	<b>£k</b>	<b>FTE</b>
<u>Huntington</u>	(845)	(16)	(1,280)	(24)	(1,310)	(24)	(1,335)	(24)
<u>Harrogate</u>			(205)	(4)	(210)	(4)	(215)	(4)
<u>Scarborough</u>					(210)	(4)	(215)	(4)
<u>OSR</u>					(370)	(7)	(375)	(7)
<u>RRM non-pay and Capital costs</u>	100		15		15		15	
<b>Total</b>	<b>(745)</b>	<b>(16)</b>	<b>(1,470)</b>	<b>(28)</b>	<b>(2,085)</b>	<b>(39)</b>	<b>(2,125)</b>	<b>(39)</b>

3.79 The timing of the actual delivery of these changes will be tracked through the year to inform financial forecasts and to ensure future plans align with their delivery.

3.80 **Transformation and Investment**

3.81 As well as the above efficiencies the new RRM approved a number of investments as part of the transformation of the service.

3.82 Those investments covered the following areas:

- That the proposal to enhance prevention and protection services and increase resources with additional firefighter and non-firefighter roles be approved and adopted
- That the introduction of a swift water rescue capability at Skipton be expedited
- That plans to reform, improve and enhance the On-call service in North Yorkshire be progressed to full business case.

3.83 A number of the plans in this area are still being developed and firmed up however for financial planning purposes there is an assumed phased implementation in line with the below:

<b>Investment and Transformation</b>	<b>2023/24</b>		<b>2024/25</b>		<b>2025/26</b>		<b>2026/27</b>	
	<b>£k</b>	<b>FTE</b>	<b>£k</b>	<b>FTE</b>	<b>£k</b>	<b>FTE</b>	<b>£k</b>	<b>FTE</b>
<b><u>Prevention and Protection Investment</u></b>								
Phase 1 - Staff Roles	365	8	380	8	387	8	395	8
Phase 2 - Staff Roles					156	3	159	3
Phase 1 - FF Roles	235	4	245	4	250	4	255	4
Capital and non-pay costs	100		100		110		110	
<b><u>On-Call Investment</u></b>								
On-call Pay Budgets	300		595		850		870	
Additional SM Role to oversee on-call project	85	1	89	1	91	1	94	1
<b><u>Non-Pay</u></b>	60		61		41		42	
<b><u>Use of ESMCP Reserve</u></b>	(400)				200		200	
<b>Totals</b>	<b>745</b>	<b>13</b>	<b>1,470</b>	<b>13</b>	<b>2,085</b>	<b>16</b>	<b>2,125</b>	<b>16</b>

3.84 As set out within the RRM consultation and subsequent decision making all of the efficiencies from the RRM work are planned for re-investment into the Service and have not been used to balance the budget.

3.85 To ensure financial balance the implementation of all aspects of the RRM will need to align to ensure that the investments are not undertaken in advance of the delivery of the efficiencies.

3.86 Where the efficiencies can be delivered sooner than assumed this will allow for some elements of the Transformation and Investment programme to be brought forward too.

3.87 What does this mean for the overall Financial Position in 2023/24?

3.88 There are a number of areas that remain outstanding at this point in the development of the 2023/24 budget and the MTFP however a summary of the current position is shown below:

	Actual Budget 2022/23 £'000	Forecast Budget 2023/24 £'000	Forecasts		
			2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Funding</b>					
Total Settlement Funding	(8,272)	(9,284)	(9,748)	(9,943)	(10,142)
Rural Services Grant	(540)	(540)	(540)	(540)	(540)
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Council Surplus/Deficit	(87)	(129)	(100)	(100)	(100)
NDR Surplus/Deficit	806	27	6	6	6
<b>Funding for the Net Budget Requirement</b>	<b>(31,379)</b>	<b>(35,049)</b>	<b>(36,560)</b>	<b>(37,802)</b>	<b>(39,090)</b>
%age change in Net Budget Requirement		11.7%	4.3%	3.4%	3.4%
S31 NDR Grants and Specific Grants	(5,399)	(4,452)	(4,469)	(4,423)	(3,943)
General Income	(567)	(550)	(588)	(550)	(560)
<b>TOTAL FUNDING</b>	<b>(37,345)</b>	<b>(40,051)</b>	<b>(41,617)</b>	<b>(42,776)</b>	<b>(43,593)</b>
%age change in Total Funding		7.2%	3.9%	2.8%	1.9%
<b>Expenditure</b>					
Wholetime Firefighters	18,293	18,715	18,626	18,406	18,775
On Call Firefighters	3,481	3,945	4,333	4,663	4,759
Administrative & Clerical	3,830	4,430	4,351	4,493	4,602
Control Room Staff	838	881	862	857	878
<b>Direct Staff Costs</b>	<b>26,442</b>	<b>27,972</b>	<b>28,173</b>	<b>28,420</b>	<b>29,014</b>
<b>Indirect Staff Costs</b>	<b>525</b>	<b>590</b>	<b>596</b>	<b>586</b>	<b>596</b>
<b>PFCC Staff Costs</b>	<b>76</b>	<b>83</b>	<b>87</b>	<b>85</b>	<b>87</b>
<b>Premises</b>	<b>2,106</b>	<b>2,395</b>	<b>2,441</b>	<b>2,488</b>	<b>2,535</b>
<b>Transport</b>	<b>855</b>	<b>1,030</b>	<b>1,046</b>	<b>1,063</b>	<b>1,080</b>
<b>Supplies and Services</b>	<b>3,841</b>	<b>3,936</b>	<b>3,817</b>	<b>3,921</b>	<b>3,999</b>
<b>Operating Leases</b>	<b>39</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>External Service Agreements</b>	<b>200</b>	<b>263</b>	<b>269</b>	<b>274</b>	<b>279</b>
<b>PFI (inc. capital element)</b>	<b>1,553</b>	<b>1,709</b>	<b>1,752</b>	<b>1,796</b>	<b>1,408</b>
<b>Total Indirect Staff and Non Staff Costs</b>	<b>9,194</b>	<b>10,009</b>	<b>10,010</b>	<b>10,214</b>	<b>9,987</b>
<b>PENSIONS</b>	<b>831</b>	<b>892</b>	<b>922</b>	<b>936</b>	<b>954</b>
<b>TOTAL EXPENDITURE BEFORE CAPITAL CHARGES</b>	<b>36,467</b>	<b>38,873</b>	<b>39,104</b>	<b>39,570</b>	<b>39,955</b>
<b>Provision for Debt Repayment</b>	<b>1,052</b>	<b>1,065</b>	<b>1,392</b>	<b>1,830</b>	<b>1,904</b>
<b>External Interest</b>	<b>519</b>	<b>675</b>	<b>887</b>	<b>1,071</b>	<b>1,199</b>
<b>Revenue Contribution to Capital</b>	<b>125</b>	<b>608</b>	<b>710</b>	<b>122</b>	<b>352</b>
<b>Total Capital Charges</b>	<b>1,696</b>	<b>2,348</b>	<b>2,989</b>	<b>3,023</b>	<b>3,455</b>
<b>TOTAL EXPENDITURE BUDGET</b>	<b>38,163</b>	<b>41,221</b>	<b>42,093</b>	<b>42,594</b>	<b>43,410</b>
<b>(Surplus)/Deficit before Reserves</b>	<b>816</b>	<b>1,170</b>	<b>476</b>	<b>(182)</b>	<b>(182)</b>
<b>Planned Transfers to/(from) Earmarked Reserves:</b>					
<b>New Developments Reserve</b>	(239)	(307)	(288)		
<b>Pensions Grant</b>	(45)				
<b>ESMCP/Local Transition Resource Reserve</b>	(94)	(475)	(18)	182	182
<b>Home Office Protection Uplift Grant Reserve</b>	(417)	(366)	(148)	0	0
<b>Collection Fund reserve</b>	(22)	(22)	(22)	0	0
<b>(Surplus)/Deficit After Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

3.89 The Service is projecting a balanced MTFP after the use of Earmarked Reserves in both 2023/24 and 2024/25, however in 2025/26 and 2026/27 the Service will **generate a surplus** to repay the ESMCP Reserve that the Home Office have given authorisation to use to accelerate the investment in the on-call service.

3.90 What about the use of Reserves?

- 3.91 It was agreed that the **New Development Reserve** would fund the Transformation Team to the end of 2024/25. It was then expected that these roles would cease unless savings/efficiencies could be found to make them permanent.
- 3.92 The 2023/24 MTFP is currently expected to assume that these resources will be permanently funded from 2025/26 and as the summary at 3.88 shows these are expected to be affordable on a recurring basis.
- 3.93 The Home Office have written to the Service to provide authorisation to use £400k of the funding that is currently sat within Earmarked Reserves, for **ESMCP**, to accelerate the investment in the On-Call Service. This funding is therefore being released in line with this agreement. The Home Office provided the ESMCP funding in part to fund a **Local Transition Resource** also and therefore these reserves are being used to meet the costs of this specifically funded work.
- 3.94 The release of the £400k is subject to repayment and there are plans in place to ensure this happens in the final 2 years of this MTFP.
- 3.95 The Home Office have previously provided funding to enable the Service to invest in **Protection services and 'Uplift'** the resources in that area. This funding has specific terms that mean it can only be used for certain areas of work. The Grant is being released from Reserves to meet the costs of undertaking this specific work.
- 3.96 It was previously expected that if the grant funding stopped that these roles would also come to an end and therefore the use of these reserves did not support core work.
- 3.97 The proposed investment in the Prevention and Protection area, aligned with the continued delivery of savings and efficiencies means that it is now forecast that these roles will be incorporated into the permanent structures of the service when/if the additional funding from the Home Office comes to an end.
- 3.98 The use of Reserves is therefore not a concern for the Service, the Reserves are funding additionality that could be removed if financially necessary however the current financial plans forecast that this won't be needed.
- 3.99 The impact of the financial settlement, the proposed precept, and the savings and efficiency plans, has enabled the Service to meet the significant financial pressures from both pay and non-pay inflation. As well as this the Service has incorporated into its balanced MTFP its plans for investing and transforming the Service and has also set out a recurring balanced MTFP that is projected to show a surplus in years 3 and 4 of the plan, to replace an Earmarked Reserve that is being used in 2023/24.

- 3.100 It is important to recognise that there will be some changes to these financial plans and these will be confirmed as part of the budget setting process at the end of February.
- 3.101 This will be especially the case for the confirmation of the level of Business Rates which will be payable to the PFCC from the Local Councils.
- 3.102 The summary of the overall revenue budget, along with the current assumptions is set out at Appendix 1.

#### **4 CAPITAL**

##### **4.1 Capital Investment Plans**

- 4.2 As previously mentioned there is a need for some significant investment within the Estate from which the Fire Service operates. Some of this requires immediate attention to ensure that the buildings are both more accessible to a more diverse workforce and the public, and funds have been set aside to address these, with the work expected to be completed in 2023/24.
- 4.3 It has also been mentioned that there is a need to assess entire buildings and determine whether they are suitable for the delivery of modern day services. While affordability will remain a key challenge, plans to refresh the estate are being developed and based on current financial projections it is expected that options to start this programme of work could begin in 2023/24, subject to affordable business cases and approval. The current Capital plans are set out at Appendix 2.
- 4.4 In addition to the need to invest in the Estate it has also been a challenge to replace some elements of the Fire Fleet over the last couple of years primarily due to the pandemic. This is expected to change during 2023/24, or early into 2024/25, as the Service has placed orders for 16 new Fire Appliances, 12 for delivery in 2023/24 and a further 4 in 2024/25. In total these 16 new Fire Appliances will cost almost £5m.
- 4.5 Work will also begin in 2023/24 towards the replacement of the Breathing Apparatus used within the Service. This will be a significant investment by the Service with options to bring this vital piece of equipment fully up to date.
- 4.6 All of these plans will be refreshed, refined, prioritised and kept under close review to ensure that they are both affordable and necessary.

## **5 Public Consultation**

- 5.1 To further inform the decision around the proposed precept for 2023/24 consultation has been undertaken with the public to ascertain their feedback and thoughts on this subject.
- 5.2 The consultation was conducted via an online survey and by telephone, to ensure a representative sample of North Yorkshire and the City of York residents by age, gender and geography.
- 5.3 The public were asked the following:
- 5.4 North Yorkshire Fire and Rescue Service has a budget of £37 million – the majority of that, over 60 per cent, comes from the precept on your council tax.
- 5.5 To provide a similar level of service to now, they think they will need around an extra £1.5m – £2m due to salary increases and the rising cost of fuel, utilities and interest on loans.
- 5.6 The Government are expected to say that Commissioner Zoë can raise the fire precept by 3% per cent from April – that would be an extra £2.26 per year or 4 pence per week for an average Band D property. Even this would only raise £700k of that extra demand.
- 5.7 The following options are based on an average Band D property currently paying £75.61 each year for Fire and Rescue. How much more would you be prepared to pay per year, through your council tax for fire and rescue services?
- No more than I pay now – a precept freeze  
This would mean a significant cut to the fire and rescue budget due to inflation and current service delivery could not be maintained.
  - Up to £2.26 a year more (19 pence per month), an increase of 2.99%  
This would raise around £700k, however is significantly below inflation and would likely lead to reductions in current levels of service delivery.
  - Up to £5 a year more (42 pence per month), an increase of 6.6%  
This would raise around £1.5m, is broadly in line with the organisation's inflationary pressures and would lead to no reductions in planned levels of service delivery.
  - Up to £7.50 a year more (63 pence per month), an increase of 9.9%  
This would raise around £2.3m, is likely to be higher than the organisation's inflationary pressures and would allow some additional investment into fire and rescue service delivery.

5.8 In total 1,339 responses were received via the open online survey and a further 999 interviews over the telephone. The open survey was published on the PFCC website and promoted widely via social media. The results of the consultation are detailed at Appendix 4.

5.9 A summary of the overall results is shown in the table below:

	<b>Total (n=2,338)</b>	<b>Telephone (n=999)</b>	<b>Online (n=1,339)</b>
<b>No more than I pay now</b> a precept freeze	<b>30%</b>	31%	29%
<b>Up to £2.26 a year more</b> (19 pence per month), an increase of 2.99%	<b>18%</b>	20%	17%
<b>Up to £5 a year more</b> (42 pence per month), an increase of 6.6%	<b>25%</b>	25%	26%
<b>Up to £7.50 a year more</b> (63 pence per month), an increase of 9.9%	<b>27%</b>	24%	29%
<b><i>TOTAL who support an increase of at least £5</i></b>	<b>52%</b>	49%	55%

5.10 Combined results (online and telephone) from the consultation show a majority (52%) support an increase of up to £5 in the fire and rescue precept, which is the level proposed within this report.



## 5. Financial Implications

### 5.1 The Tax Base

The two local Councils have notified the PFCC of their tax bases for 2023/24 as set out in the table below:

<b>Tax Base</b>	<b>2023/24</b>	<b>2022/23</b>
	Net Tax Base	Net Tax Base
North Yorkshire County Council	243,034	239,742
York City Council	68,633	68,220
<b>Total</b>	<b>311,667</b>	<b>307,963</b>
<b>Annual Increase/(Decrease)</b>	<b>3,704</b>	
<b>Percentage Increase/(Decrease)</b>	<b>1.20%</b>	

5.2 The tax base is expressed in terms of Band D equivalent properties. Actual properties are converted to Band D equivalent by allowing for the relevant value of their tax bands as set down in legislation (ranging from 2/3rds for Band A to double for Band H; discounts for single person occupation, vacant properties, people with disabilities etc;) and a percentage is deducted for non-collection. Allowance is also made for anticipated changes in the number of properties.

5.3 The tax base calculated by the billing authorities differ from the figures used by the Government (which assumes 100% collection) in calculating Grant Formula entitlements.

5.4 As can be seen from the table above the number of Band D equivalent properties across North Yorkshire has increased in 2023-24, in comparison to 2022-23, by 3,704 – this equates to an increase of 1.20%

5.5 The 2023/24 tax base is therefore 311,666.69 Band D Equivalent properties

### 5.6 Setting the Council Tax

5.7 During 2021/22 the Councils indicated an overall deficit on their Council Tax collection funds, of which £277k related to Fire.

5.8 The Government recognised the challenge of absorbing these deficits in one year and therefore provided the flexibility to all billing and major precepting authorities (including police and fire authorities) to phase the deficit over a fixed period of three years.

- The deficit is therefore being phased in three equal and fixed amounts across the financial years 2021-22, 2022-23 and 2023-24.

5.9 2023-24 is the final of these 3 years and therefore a £92k charge is factored into the overall collection fund position to produce an overall surplus of £129k.

- 5.10 The precept calculation needs to take account of any net surplus or deficit on the billing authority collection funds. Projected surplus/deficits on the individual funds are shown in the table below.

Collection Funds Surplus/ (Deficit)	
	£
North Yorkshire County Council	252,924
York City Council	(123,510)
<b>Net Surplus/(Deficit) on Collection Fund</b>	<b>129,414</b>

- 5.11 The surpluses/deficit that have arisen need to be returned through the precept. The final precept to be levied will reflect the position on each council's collection fund.

### 5.12 Financial Summary

#### Net Budget Requirement

Based on the proposed precept increase of £5, or 6.6%, the Net Budget Requirement (NBR) for 2023/24, in comparison to 2022/23, is set out in the table below:

Funding the Net Budget Requirement	Budgeted Figures		(Increase)/Reduction	%age Change
	2023/24	2022/23		
	£000s	£000s	£000s	
<b>Funding</b>				
Total Settlement Funding	(9,284)	(8,272)	(1,011)	12.2%
Rural Services Grant	(540)	(540)	0	0.0%
Council Tax Precept	(25,123)	(23,285)	(1,838)	7.9%
Collection Fund/NNDR Surplus/Deficit	(102)	718	(820)	-114.1%
<b>Net Budget Requirement</b>	<b>(35,049)</b>	<b>(31,379)</b>	<b>(3,670)</b>	<b>11.7%</b>

- 5.13 As can be seen from the above the NBR is expected to increase in 2023/24, by £3,670k (or 11.7%) if the precept is increased by £5.
- 5.14 It is important to reflect that the 2022/23 figures were heavily impacted by COVID and grants that do not form part of the NBR calculation were paid to compensate for the reliefs given in relation to Business Rates.
- 5.15 In addition to this the current year figures are not yet finalised with the information due from the Councils on Business Rates and the collection fund positions due towards the end of January.

## 5.16 Precept Calculations

The final precept calculations are set out in the tables below based on a £5 increase:

Proposed Precepts - £5, 6.6% Increase			
	Unadjusted Precept	Collection Fund Balance	Council Tax Requirement
	£	£	£
North Yorkshire County Council	19,843,862	252,924	19,590,938
York City Council	5,409,004	(123,510)	5,532,514
<b>Total Precept</b>	<b>25,252,866</b>	<b>129,414</b>	<b>25,123,452</b>

5.17 The 'basic amount' of council tax is the rate for a Band D property. It is calculated by dividing the Council Tax Requirement by the total tax base i.e. £25,123,452 by 311,666.69 giving a council tax rate for Band D properties of £80.61.

5.18 The proposed council tax rate for each property band is determined in accordance with the statutory proportions and is set out in the table below, it also shows the increases for each Band in comparison to 2022/23. It is advised that the tax rates should be calculated to more than 2 decimal places.

Council Tax Band Amounts and Increases				
	£5 or 6.6% increase			
Property Band	2023/24	2022/23	Increase per Annum	Increase per Week
	£	£	£	£
A	53.740	50.407	3.33	0.06
B	62.697	58.808	3.89	0.07
C	71.653	67.209	4.44	0.09
D	80.610	75.610	5.00	0.10
E	98.523	92.412	6.11	0.12
F	116.437	109.214	7.22	0.14
G	134.350	126.017	8.33	0.16
H	161.220	151.220	10.00	0.19

## **6. Conclusion**

I have considered various options and various factors in deliberating on my proposal for precept in 2023/24. I have taken into account the needs for the delivery of high levels of Fire and Rescue Services within North Yorkshire. I have spoken with the Chief Fire Officer and have consulted with the public.

Based on these views, the limits imposed by the Government on precept increases for Fire Authorities before a referendum is required, and the financial needs of the organisation over the medium term, I formally propose a precept increase of £5 or 6.6%, for a Band D property for 2023/24.

This would result in Band D Fire precept for 2023/24 of £80.61 and I ask that this panel considers my proposal.

Further to this the following additional Appendices are also attached:

- Appendix 1 – Draft Budget based on a £5 or 6.6% Fire Precept Increase
- Appendix 2 – Draft Capital Budget
- Appendix 3 – Draft Forecast Reserves Schedule
- Appendix 4 – Report on Fire Precept Consultation

APPENDIX 1					
	Actual	Forecast	Forecasts		
	Budget	Budget			
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
<b>Funding</b>					
Total Settlement Funding	(8,272)	(9,284)	(9,748)	(9,943)	(10,142)
Rural Services Grant	(540)	(540)	(540)	(540)	(540)
Council Tax Precept 1.99%	(23,285)	(25,123)	(26,178)	(27,225)	(28,314)
Council Surplus/Deficit	(87)	(129)	(100)	(100)	(100)
NNDR Surplus/Deficit	806	27	6	6	6
<b>Funding for the Net Budget Requirement</b>	<b>(31,379)</b>	<b>(35,049)</b>	<b>(36,560)</b>	<b>(37,802)</b>	<b>(39,090)</b>
%age change in Net Budget Requirement		11.7%	4.3%	3.4%	3.4%
S31 NDR Grants and Specific Grants	(5,399)	(4,452)	(4,469)	(4,423)	(3,943)
General Income	(567)	(550)	(588)	(550)	(560)
<b>TOTAL FUNDING</b>	<b>(37,345)</b>	<b>(40,051)</b>	<b>(41,617)</b>	<b>(42,776)</b>	<b>(43,593)</b>
%age change in Total Funding		7.2%	3.9%	2.8%	1.9%
<b>Expenditure</b>					
Wholetime Firefighters	18,293	18,715	18,626	18,406	18,775
On Call Firefighters	3,481	3,945	4,333	4,663	4,759
Administrative & Clerical	3,830	4,430	4,351	4,493	4,602
Control Room Staff	838	881	862	857	878
<b>Direct Staff Costs</b>	<b>26,442</b>	<b>27,972</b>	<b>28,173</b>	<b>28,420</b>	<b>29,014</b>
<b>Indirect Staff Costs</b>	<b>525</b>	<b>590</b>	<b>596</b>	<b>586</b>	<b>596</b>
<b>PFCC Staff Costs</b>	<b>76</b>	<b>83</b>	<b>87</b>	<b>85</b>	<b>87</b>
<b>Premises</b>	<b>2,106</b>	<b>2,395</b>	<b>2,441</b>	<b>2,488</b>	<b>2,535</b>
<b>Transport</b>	<b>855</b>	<b>1,030</b>	<b>1,046</b>	<b>1,063</b>	<b>1,080</b>
<b>Supplies and Services</b>	<b>3,841</b>	<b>3,936</b>	<b>3,817</b>	<b>3,921</b>	<b>3,999</b>
<b>Operating Leases</b>	<b>39</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
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<b>PENSIONS</b>	<b>831</b>	<b>892</b>	<b>922</b>	<b>936</b>	<b>954</b>
<b>TOTAL EXPENDITURE BEFORE CAPITAL CHARGES</b>	<b>36,467</b>	<b>38,873</b>	<b>39,104</b>	<b>39,570</b>	<b>39,955</b>
<b>Provision for Debt Repayment</b>	<b>1,052</b>	<b>1,065</b>	<b>1,392</b>	<b>1,830</b>	<b>1,904</b>
<b>External Interest</b>	<b>519</b>	<b>675</b>	<b>887</b>	<b>1,071</b>	<b>1,199</b>
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<b>TOTAL EXPENDITURE BUDGET</b>	<b>38,163</b>	<b>41,221</b>	<b>42,093</b>	<b>42,594</b>	<b>43,410</b>
<b>(Surplus)/Deficit before Reserves</b>	<b>816</b>	<b>1,170</b>	<b>476</b>	<b>(182)</b>	<b>(182)</b>
<b>Planned Transfers to/(from) Earmarked Reserves:</b>					
<b>New Developments Reserve</b>	(239)	(307)	(288)		
<b>Pensions Grant</b>	(45)				
<b>ESMCP/Local Transition Resource Reserve</b>	(94)	(475)	(18)	182	182
<b>Home Office Protection Uplift Grant Reserve</b>	(417)	(366)	(148)	0	0
<b>Collection Fund reserve</b>	(22)	(22)	(22)	0	0
<b>(Surplus)/Deficit After Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Reserves</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>General Fund Balance c/f</b>	<b>1,075</b>	<b>1,075</b>	<b>1,075</b>	<b>1,075</b>	<b>1,075</b>
<b>Employee Numbers (Budgeted as at 1st April)</b>					
	FTEs	FTEs	FTEs	FTEs	FTEs
Wholetime Firefighters	311	299	287	276	276
On Call Firefighters	342	342	342	342	342
Support Staff	93	102	102	105	105
Control Staff	18	18	18	18	18
<b>Assumptions</b>					
Staff Pay Increase	3.0%	4.0%	2.0%	2.0%	2.0%
Non Pay Inflation	2.0%	Calculated	2.0%	2.0%	2.0%
Precept Increase	2.0%	6.6%	3.0%	3.0%	3.0%
Council Tax Base Increase	1.6%	1.2%	1.2%	1.0%	1.0%

## CAPITAL PROGRAMME 2022/23 - 2027/28

	Forecast 2022/23	Estimated 2023/24	Estimated 2024/25	Estimated 2025/26	Estimated 2026/27	Estimated 2027/28
	£000	£000	£000	£000	£000	£000
<b>FUNDING</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Reserve Brought Forward</b>	<b>3,146</b>	<b>2,778</b>	<b>2,249</b>	<b>2,435</b>	<b>1,837</b>	<b>2,198</b>
Revenue Contribution to Capital into reserve	700	608	710	122	352	352
Capital Receipts		52	221	236	242	196
Borrowing	1,160	6,899	6,151	3,349	3,262	1,949
Estates Replacement Borrowing		1,613	1,572	1,096	3,340	3,221
<b>TOTAL FUNDING</b>	<b>1,860</b>	<b>9,172</b>	<b>8,654</b>	<b>4,803</b>	<b>7,196</b>	<b>5,718</b>
<b>EXPENDITURE:</b>						
TRANSPORT excluding Cars	518	5,077	3,851	2,649	2,562	1,249
TRANSPORT - Cars	70	570		285		570
ESTATES RENEWAL	714	1,822	700	700	700	700
INFORMATION TECHNOLOGY	926	619	745	671	233	468
LOGISTICS			1,600			
<b>TOTAL APPROVED CAPITAL PROGRAMME</b>	<b>2,228</b>	<b>8,088</b>	<b>6,896</b>	<b>4,305</b>	<b>3,494</b>	<b>2,987</b>
<b>ESTATES REPLACEMENT PROGRAMME</b>		<b>1,613</b>	<b>1,572</b>	<b>1,096</b>	<b>3,340</b>	<b>3,221</b>
<b>Reserve Carried Forward</b>	<b>2,778</b>	<b>2,249</b>	<b>2,435</b>	<b>1,837</b>	<b>2,198</b>	<b>1,708</b>

**Reserves Forecasts**

	Balance	Transfers	Transfers	Balance	Transfers	Balance	Transfers	Balance	Transfers	Balance	Transfers	Balance
	March	In	Out	at 31 March	In/Out	at 31 March	In/Out	at 31 March	In/Out	at 31 March	In/Out	at 31 March
	2022	2022/23	2022/23	2023	2023/24	2024	2024/25	2025	2025/26	2026	2026/27	2027
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Pay & Price Reserve	337			337		337		337		337		337
Pensions Reserve	1,066		(45)	1,021		1,021		1,021		1,021		1,021
New Developments Reserve	1,108		(319)	789	(307)	482	(288)	194		194		194
Insurance Reserve	80			80		80		80		80		80
Recruitment Reserve	175			175		175		175		175		175
Hydrants Reserve	100			100		100		100		100		100
Collection Fund Reserve	66		(22)	44	(22)	22	(22)	0		0		0
HO Grant - Protection Funding Reserve	502		(74)	428	(82)	346		346		346		346
HO Grant - ESMCP Reserve	661		(94)	567	(475)	92	(18)	74	182	256	200	456
<b>Total Earmarked Reserves</b>	<b>4,095</b>	<b>0</b>	<b>(554)</b>	<b>3,541</b>	<b>(886)</b>	<b>2,655</b>	<b>(328)</b>	<b>2,327</b>	<b>182</b>	<b>2,509</b>	<b>200</b>	<b>2,709</b>
<b>Earmarked Capital Reserve</b>	<b>3,146</b>	<b>700</b>	<b>(1,068)</b>	<b>2,778</b>	<b>(529)</b>	<b>2,249</b>	<b>186</b>	<b>2,435</b>	<b>(598)</b>	<b>1,837</b>	<b>361</b>	<b>2,198</b>
<b>General Reserves</b>	<b>1,075</b>			<b>1,075</b>		<b>1,075</b>		<b>1,075</b>		<b>1,075</b>	<b>0</b>	<b>1,075</b>
% of Net Budget Requirement	3.4%			3.1%		2.9%		2.8%		2.8%		2.8%
<b>Total Usable Reserves</b>	<b>8,316</b>			<b>7,394</b>	<b>(1,415)</b>	<b>5,979</b>	<b>(142)</b>	<b>5,837</b>	<b>(416)</b>	<b>5,421</b>	<b>561</b>	<b>5,982</b>
<b>Capital Receipts Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **APPENDIX 4**

### **Precept Consultation Results 2023/24 – Fire and Rescue Precept**

#### **Approach**

The Police, Fire and Crime Commissioner’s precept consultation aimed to understand how much the public would be prepared to pay via their council tax for policing and separately for the fire and rescue service next year (2023/24).

Between 5 December 2022 and 16 January 2023, an online, self-completion survey was open to the public of North Yorkshire and the City of York. The survey was promoted via media releases and social media including; Facebook, Twitter, Next Door and Commissioner Newsletter subscribers via Mailchimp. Posters and leaflets were distributed to all North Yorkshire and City of York libraries to raise awareness of the survey. All users of the Community Messaging system in North Yorkshire and the City of York were notified about the survey and an email was sent to all MPs and Councillors in December and January, to raise community awareness.

Throughout the consultation period, online results were reviewed and areas/demographics with low take-up were targeted using targeted Facebook posts.

Residents could respond via post, phone, email or online, resulting in 1,341 responses.

In addition, a representative telephone survey was conducted with 1,002 North Yorkshire and City of York residents, screened to ensure respondents were council tax payers and aged over 18. Quotas were set by gender, age and district to reflect the demography and geography of the county. The telephone interviews were undertaken by an independent market research company.

Questions around both precepts were combined within one survey. The order in which people considered each precept was rotated; 50% answered the policing precept question first, 50% the fire and rescue precept question.

Combined, the total number of responses to the Police, Fire and Crime Commissioner’s 2023/24 precept survey was 2,343.

All districts were well represented as shown in Table 1 below.

**Table 1: Total responses (combined telephone and online) by district**

	Craven	Hambleton	Harrogate	Richmondshire	Ryedale	Scarborough	Selby	York	TOTAL
<b>Survey responses All answering (2,298)</b>	7%	14%	23%	7%	8%	13%	10%	19%	<b>101%**</b>
<b>North Yorkshire and City of York: estimated households*</b>	7%	11%	19%	6%	7%	14%	10%	25%	<b>99%**</b>

\*Household district estimates, Data North Yorkshire <https://hub.datanorthyorkshire.org>

\*\*Rows may not add to 100% due to rounding



## Results

The results of the consultation have been analysed by methodology type (representative telephone survey vs open online survey) and are broadly similar.

Those who support a freeze for the fire and rescue precept are extremely likely to also suggest a freeze for the policing precept. There is a strong correlation between the amount people are prepared to pay and household income with lower income households most likely to opt for a freeze in both precepts.

Responses to the fire and rescue precept question are summarised in the chart below. Seven in ten respondents (70%) were prepared to pay an increase of at least £2.26 in their council tax for fire and rescue services next year. The majority of respondents (52%) would support an increase of up to £5 in the fire and rescue precept.

**Figure 1: Fire and rescue precept response**

**Q. How much extra are you willing to pay for fire and rescue services in North Yorkshire and York?**

