

EAST SUSSEX FIRE AUTHORITY

Date: 6 February 2025

Title of Report: Fire Authority Service Planning processes for 2025/26 and beyond – Revenue Budget 2025/26 and Capital Asset Strategy 2025/26 to 2029/30

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Background Papers: Fire Authority Service Planning processes for 2024/25 and beyond – Revenue Budget 2024/25 and Capital Strategy 2024/25 to 2029/30: Fire Authority 8 February 2024

2025/26 to 2029/30 Strategic Service Planning and Medium Term Financial Plan: Fire Authority 13 September 2024

2025/26 to 2029/30 Strategic Service Planning and Medium Term Financial Plan: Fire Authority 5 December 2024

Economic and Fiscal Outlook, October 2024 - Office of Budget Responsibility.

Bank of England Monetary Policy Report – November 2024

Appendices:

- A. Medium Term Finance Plan 2025/26 – 2029/30
- B. Revenue Budget Summary 2025/26
- C. Fees and Charges
- D. Capital Asset Strategy 2025/26 – 2029/30
- E. Reserves and Balances Policy
- F. Precept for 2025/26
- G. Establishment 2025/26
- H. Local Government Financial Settlement (provisional)
Core Spending Power of Combined Fire Authorities
- I. Equality Impact Assessment

Implications

CORPORATE RISK	✓	LEGAL	✓
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT ✓			

PURPOSE OF REPORT

To present the Fire Authority's draft Revenue Budget 2025/26, Capital Strategy 2025/26 – 2029/30 and Medium Term Finance Plan for 2025/26 – 2029/30 for approval.

EXECUTIVE SUMMARY

The Authority's budget proposals for 2025/26 and its five year Medium Term Finance Plan (MTFP) were considered by the Policy & Resources Panel on 16 January 2025. Since that meeting the report has been updated to reflect:

- The latest council tax information including the Collection Fund position which has resulted in the forecast overall Collection Fund position for 2025/26
- Changes to the capital programme and associated financing costs
- Final revisions to pressures, bids and savings

Final business rates and collection fund positions have not yet been finalised and these remain as estimates as reported previously. The Local Government Finance Settlement (LGFS) is expected to be finalised when the Local Government Finance Report (England) 2025/26 is debated by Parliament during the week commencing 3 February 2025.

At the time of writing a number of key elements of the budget setting process remain outstanding:

- Confirmation of fire specific grants including Pensions, Protection Uplift and New Dimensions from the Home Office (HO) (currently assumed to be cash flat)
- Confirmation of the allocation of grant funding to compensate for the changes to employer's National Insurance Contributions (NICs)

The Authority has continued to make progress in identifying and agreeing efficiencies and savings proposals over the last 12 months. The latest version of the MTFP shows that the Authority has identified £0.618m of savings in 2025/26.

This report outlines proposals for setting a balanced revenue budget for 2025/26, including commitments, growth bids and new savings.

The budget proposals have been developed using the modelling assumptions previously agreed with the Authority. For 2025/26 two options are presented, a 2.99% increase in council tax or a £5 increase in council tax.

The MTFP sets out three scenarios for 2026/27 onwards – a mid range based on a cash flat Settlement Funding Assessment (SFA) and of council tax increases to 2.99%, a higher range based on 2% increase in SFA and a continuation of the 2.99% increased flexibility for council tax and a lower range where funding is cash flat overall after 2.99% council tax increases.

The budget gap for 2025/26 is £0.512m (£5 option) or £1.059m (2.99% option). It is proposed that this is funded by use of reserves in 2025/26 as detailed in paragraph 8.3. However, this is not a sustainable position, and the Authority would need to move swiftly to identify permanent savings to balance the budget for future years and to fund additional contributions to replenish its reserves. The amounts required to balance the budget for 2026/27 based on current modelling are £2.595m (£5 option) or £3.161m (2.99% option).

One-off savings and flexibilities totalling £1.863m have been used to balance the budget in 2025/26. These will need to be replaced with substantive base budget savings for 2026/27.

The MTFP indicates base budget savings of £2.595m (£5 option) will be required under the mid range scenario in 2026/27 (higher range £2.286m, lower range £3.867m). It will be essential for the Authority to act urgently to identify options to deliver the savings necessary to balance the budget for 2026/27 through either its Community Risk Management Plan (CRMP) or its Future Foundations programme. The equivalent figures for the 2.99% option are £3.161m (mid range), £2.833m (higher range) and £4.414m (lower range).

There remains significant uncertainty for funding for 2026/27 and beyond and the Authority will need to remain flexible in its approach to its financial planning. A Comprehensive Spending Review in spring 2025 is expected to lead to a multi-year settlement from 2026/27. The Government has published a consultation on funding reform, which includes the funding formula for fire and rescue services, and it intends to reset the business rates retention system in 2026/27. Alongside this the English Devolution White Paper could see significant changes in governance over the medium term especially in existing two tier areas and for fire and rescue authorities. The report sets out a range of other financial risks which the Authority must consider when setting its budget, including the compensation for increases in NICs and the national pay negotiations for 2025/26.

The Capital Asset Strategy (CAS) reflects the Authority's identified capital investment requirements for the next five years. As capital reserves are drawn down the Authority will need to take out new borrowing over the life of the Strategy and the

Treasury Management Strategy will carefully consider the options available. The Revenue impact of new borrowing is reflected in the MTFP from 2025/26 onwards. The CAS has been shaped to ensure costs remain within the existing funding envelope which has led to a reduction in the number of Estates projects over the next 5 years. A further review will be conducted during 2025/26 alongside the capital implications of the CRMP, the revision of the Estates Strategy and Design Guide, clarity on the costs of planned IT Transformation and Joint Fire Control Vision Replacement and the outcomes of the CSR.

The Authority has acted prudently in establishing reserves and balances to meet its assessed risks and to provide one off funding for specific priorities. The level of reserves held will significantly reduce over the life of the MTFP and this will bring forward the need to borrow and reduce the level of financial flexibility the Authority has outside of its Revenue Budget. In order to produce a balanced budget for 2025/26 a drawdown from reserves is necessary. This is a legitimate approach where it assists with smoothing the impact/delivery of planned savings, however this approach cannot form an ongoing part of budget setting as it is not financially sustainable. The MTFP includes a number of measures to support financial sustainability over the medium term including additional contributions from the revenue budget into the General Balances to rebuild them to meet the Authority's policy minimum and a number of earmarked reserves to maintain some flexibility for future investment and reduce reliance on borrowing for maintaining and replacing existing capital assets.

Any decision not to take the full flexibility in council tax offered by the Government, even for a single year has a permanent impact on the future income that the Authority can generate from council tax. The additional council tax income under the £5 option is £0.549m in 2025/26, rising to £0.631m in 2029/30.

RECOMMENDATION

The Authority is recommended to:

1. Note that:

- (a) the one year settlement as set out in the Local Government Finance Settlement is only provisional at this stage and may be subject to change;
- (b) the East Sussex Business Rate Pool, of which the Authority is a member, has been approved as part of the Provisional LGFS, and that any income will be transferred into the Business Rates Pool Reserve and used to fund the Capital Asset Strategy;
- (c) that the Home Office has still to announce the quantum and allocation of fire specific grants for 2025/26; and
- (d) the final business rate bases and the collection fund positions are still awaited and that final budget proposals may change once this information is received.

2. Approves:

Either

(a) an increase in council tax of 2.99% and thus approves:

- (i) the budget proposals set out in this Report and the net budget requirement of £50.319m for 2025/26;
- (ii) the council tax requirement of £33.923m; and
- (iii) the council tax and precepts as set out in Appendix F(ii)
- (iv) that the General Balance remains below the Authority's policy minimum of 5% of the net revenue budget until 2029/30
- (v) the use of £1.059m of General Balances to balance the revenue budget in 2025/26

Or

(b) an increase in council tax of £5 and thus approves:

- (i) the budget proposals set out in this Report and the net budget requirement of £50.868m for 2025/26;
- (ii) the council tax requirement of £34.472m; and
- (iii) the council tax and precepts as set out in Appendix F(i)

- (iv) that the General Balance remains below the Authority's policy minimum of 5% of the net revenue budget until 2027/28
 - (iv) the use of £0.512m of General Balances to fund the revenue budget in 2025/26;
 - (c) the capital programme for the next five years and the capital budget of £9.553m for 2025/26 including the plans to use CIL, capital receipts, revenue contributions and new borrowing to finance capital expenditure;
 - (d) the fees and charges set out in Appendix C;
 - and
 - (e) that the Treasurer, in consultation with the Chair and the Chief Fire Officer, be authorised to make any adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement.
3. Recommend that the Fire Authority request the Senior Leadership Team to present options for achieving permanent savings to balance the 2026/27 budget and the 5 year MTFP at the earliest opportunity.
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1. INTRODUCTION

- 1.1 The report sets out the proposed Revenue Budget for 2025/26, a revised MTFP for 2025/26 to 2029/30 as well as the proposed CAS and Capital Programme for the Authority for the period 2025/26 to 2029/30 for the Panel to consider. The report is based on the latest information available, but Members should note that 2025/26 represents a one-year settlement, which at the time of writing the report had still not been finalised. Estimates have also been used where full information from billing authorities was not available for business rates and / or where the operation of some Government grants is not yet clear.
- 1.2 The Government has issued a one year Provisional LGFS for 2025/26. There is still significant uncertainty about the Authority's funding for 2026/27 onwards.
- 1.3 The Authority has continued to make good progress in identifying and delivering savings proposals over the last 12 months. Since 2010/11 total savings delivered are £13.759m, with further identified savings over the MTFP totalling £0.690m.
- 1.4 The MTFP includes other changes to spending plans, the provisional LGFS and latest estimates on council tax and business rates. Taken together these show that the Authority can deliver a balanced budget in 2025/26 but through the use of one-off savings and reserves. It is essential that as well as delivering the savings proposals set out in this report to balance the 2025/26, additional permanent savings necessary to balance the budget over the life of the MTFP are identified as soon as possible.

- 1.5 There remains significant uncertainty for funding for 2026/27 and beyond and the Authority will need to remain flexible in its approach to its financial planning. The Authority must continue to consider its long-term financial sustainability when setting its budget for 2025/26 and agreeing its Medium Term Finance Plan (MTFP) for the next five years. A Comprehensive Spending Review in spring 2025 is expected to lead to a multi-year settlement from 2026/27. The Government has published a consultation on funding reform, which includes the funding formula for fire and rescue services, and it intends to reset the business rates retention system in 2026/27. Alongside this the English Devolution White Paper could see significant changes in governance over the medium term especially in existing two tier areas and for fire and rescue authorities. The report sets out a range of other financial risks which the Authority must consider when setting its budget, including the compensation for increases in NICs and the national pay negotiations for 2025/26.

2. ECONOMIC OUTLOOK

- 2.1 The general state of the economy is an important factor in setting the Authority's revenue budget and MTFP over the next five years. UK GDP growth is expected to be 1.1% in 2024, rising to 2.0% in 2025 before falling back slightly to 1.8% in 2026.
- 2.2 The Bank of England base rate has reduced from 5.25% at 1 April 2024 to 4.75% as at November 2024 and is expected to fall to 4.5% by the end of the financial year. The base rate is then forecast to fall to 3.75% by December 2025. The cost of borrowing through the Public Works Loan Board (PWLb) is expected to fall over the corresponding period.
- 2.3 The Government continues to set the target for CPI at 2%. The November 2024 figure was 2.6% and the OBR expects it to fall but to remain above the 2% target through 2025/26 and 2026/27.

3. NATIONAL FUNDING

- 3.1 The Provisional LGFS announced in December 2024 set out core spending power (CSP) increases for standalone fire & rescue authorities at 2.8%, with the loss of funding from Minimum Funding Guarantee, Service and Rural Services Delivery grants only partially offset by an increase in council tax flexibility from 3% to £5. For this Authority the loss through removal of these grant is £1.144m and the additional funding through a £5 precept increase is £0.549m, resulting in a net loss of £0.595m. East Sussex's CSP increases by 1.8% resulting in £0.470m less funding than if it had been at the average level. The Home Office is yet to confirm sector specific grants, but it is expected that, excepting the Firelink Grant which is being reduced to zero by 2026/27, these will be allocated at the same cash level as in 2024/25.
- 3.2 The Autumn Budget included an increase to employer's National Insurance contributions and corresponding compensation for local authorities. The Provisional LGFS confirmed total funding of £515m and the method by which it would be allocated. The MTFP currently assumes that the increase in costs, currently estimated at £0.673m will be fully compensated by Government. However, an initial assessment of the potential grant allocation is only £0.320m which would result in

an additional pressure of £0.353m. Our estimate is only based on direct employees – it is anticipated that there will be further pressures from shared services and external contracts which could increase this pressure. Our response to the LGFS consultation made it clear the need for full compensation. If full compensation is not forthcoming this pressure alone could exhaust the budgeted contingency for 2025/26.

- 3.3 The Provisional LGFS proposes a council tax referendum threshold of £5 for 2025/26. This was something that the Authority and the sector nationally had lobbied strongly for in order both to protect existing services, to invest in protection services post Grenfell and to address the areas for improvement identified by HMICFRS. Should the Authority opt for a lower increase of 2.99% this will reduce additional income by £549,000 meaning that the Authority will need to take urgent action to identify additional savings to balance the budget for 2025/26 or increase the use of reserves to balance the budget.
- 3.4 The Provisional LGFS was released on 18 December 2024. We have modelled on the basis of the Provisional LGFS and used the analysis provided by Local Government Futures (LGF). The main assumptions from a funding perspective are:
- SFA (including RSG and Business Rates Top Up grant) is as set out in the provisional LGFS.
 - Locally retained business rates income and S31 grant in relation to business rates reliefs and under indexation of the business rate multiplier is as forecast by LGF.
 - that the council tax increase will be set at 2.99% or £5.
 - that the East Sussex Business Rate Pool continues for 2025/26, and any income will be transferred into the Business Rates Pool Reserve and used to fund the Capital Asset Strategy.
 - that HO fire grants, excepting Firelink, will continue at the same cash level as in 2024/25.
 - That the increase in NICs is fully compensated for by MHCLG grant.
- 3.5 The Local Government Finance Report (England) 2025/26 will be debated in Parliament at some point in early February and there is a risk that final funding figures will not be announced in time for the Authority's budget setting meeting on 6 February 2025. This does not prevent the Authority setting either its budget or its precept, but it is recommended that authority is delegated to the Treasurer, in consultation with the Chair and the Chief Fire Officer, to make any presentational changes to the budget that may be required as a result. This will not impact on the agreed precept or level of council tax.
- 3.6 There remains significant uncertainty for funding for 2026/27 and beyond and the Authority will need to remain flexible in its approach to its financial planning. The Authority must continue to consider its long-term financial sustainability when setting its budget for 2025/26 and agreeing its Medium Term Finance Plan (MTFP) for the next five years. The Authority has delivered significant savings since 2010 and at the same time has drawn down on its reserves to fund planned investment priorities. As a result, it has significantly less financial flexibility and resilience. Borrowing to fund capital investment will be required from 2024/25 for the first time in over 15

years. Pressures on frontline service delivery and the need to recruit and train new wholetime firefighters has required additional funding through the MTFP. In the absence of a medium-term funding settlement the 5 year MTFP forecasts the need for significant additional savings in both 2026/27 and beyond. The Authority's CRMP will need to set out options to match resource to risk that reflect the funding uncertainty and need to make significant reductions in cost. Likewise, the Future Foundations programme will need to drive further cash releasing efficiencies.

- 3.7 Part of the Sector's offer to Government through the previous CSR (Comprehensive Spending Review) was to deliver improvements in both productivity and efficiency and work continues through the NFCC's Productivity and Efficiency Group to develop this, particularly how to define and track improvements in operational productivity. It is not clear whether any interim targets will be set in advance of the next CSR to cover 2025/26. The Authority is required to publish its Productivity & Efficiency Plan by 31 March 2025. We are currently awaiting updated guidance from the Home Office, but our intention is to bring the Plan as a separate paper to Policy & Resources Panel in April 2025.
- 3.8 The current assumption is that as part of the one-year only LGFS, losses from central Government policy changing business rates yield will be compensated for by a section 31 grant. Previously the MTFP relied on assumptions based on data from the billing authorities however the nature of the one-year LGFS means that it is preferred to use assumptions based on the 2024/25 actual data and announcements relating to the one-year LGFS supported by modelling provided by LGF. This remains the case for the final budget papers to Fire Authority as the national deadline for the billing authorities to submit their NNDR1 returns for 2025/26 is 31 January, after the deadline for the Fire Authority papers. Any changes once the budget has been set will be reported through our regular budget monitoring.
- 3.9 A new Pensions Grant was provided to fire authorities in 2024/25 in order to mitigate the increase in the employer contribution rate for the Firefighter Pension Scheme. We currently estimate that grant covers all but approximately £60,000 of the additional cost. We are currently modelling on the basis that the grant will be the same in cash terms in 2025/26. We understand that the allocation of the Pensions Grant will be reviewed ready for 2026/27.
- 3.10 There has been no announcement on specific grants for the fire service to date. The Authority has assumed cash flat for 2025/26 and beyond for ongoing grants such as Protection Uplift and New Dimensions. The Firelink grant will reduce to £0 by 2026/27, and this pressure is reflected within the MTFP. The Authority has lobbied for a fairer apportionment of the Protection Uplift Grant to reflect the local risk resulting from the numbers of both high and medium rise buildings and enforcement and other legal activity resulting from our regulatory role.

4. MEDIUM TERM FINANCIAL PLAN

- 4.1 The MTFP (Appendix A) reflects the modelling for 2025/26 set out in paragraph 3.3 above and then the scenarios in paragraph 4.2 for the remaining four years of the plan. Appendix A shows the mid range in detail and includes the latest information

on business rates and council tax (this will not be finalised until later in January). The risks set out in paragraph 4.9 below, the potential for further reductions in public spending and proposed changes to the way local government is supported centrally makes forecasting the position beyond 2025/26 extremely difficult. For that reason, the forecast within the MTFP for 2026/27 to 2029/30 should be regarded only as indicative at this stage.

4.2 The MTFP reflects our initial modelling of these factors and includes the following key assumptions:

- any changes to the distribution of business rates or the funding formula will have a net nil impact on the Authority, other than the loss of income from the Business Rates Pool.
- Section 31 grant to compensate authorities for the loss of income as a result of the capping of the multiplier and various reliefs will continue based on current forecasts.
- An increase in council tax base of 1.40% for 2025/26 and then 0.68%, 0.80%, 0.72% and 0.72% in subsequent years;
- Increases of 2.99% or £5 in council tax in 2025/26 and 2.99% thereafter;
- Provision for pay increases of 2% pa for all staff;
- Provision for price increases of 2% pa (excepting specific areas where provision for excess inflation is proposed);
- Delivery of savings in line with agreed plans, including those identified by SLT during the budget setting process and detailed in 6.7.
- That additional employers' NICs will be fully funded by Government grant.

4.3 Following a review by the East Sussex Finance Officers Association (ESFOA) an application to continue the East Sussex Business Rate Pool in 2025/26 was made and approval was confirmed in the provisional LGFS. Any member authority can decide to withdraw from the Pool before the consultation deadline of 15 January, but this means that the whole Pool will cease. The final decision to remain in the Pool has been delegated to the Assistant Director Resources/Treasurer after consultation with the Chair and the Chief Fire Officer. The Service in line with all other members of the Pool has indicated its willingness to continue with the current Pooling arrangement. The MTFP assumes that income from the Pool will be used to fund the delivery of the capital programme reducing the need to borrow. Members should be aware that if the Pool makes a net loss, then that will be shared proportionately to the benefits set out in the MoU (Memorandum of Understanding) which is 10% for this Authority. ESFOA's view is that the risk of this is low.

4.4 The council tax base forecast presented to Policy & Resources Panel included an estimate of the impact of the proposal by Eastbourne Borough Council to increase the maximum discount in its Local Council Tax Reduction Scheme to 100% i.e. a loss of £0.049m. Eastbourne Borough Council has confirmed they will not implement changes in 2025/26 and their council taxbase has been amended accordingly. Council taxbase forecasts now reflect the expected impact of both the empty and second homes premiums allowed under the Levelling-up and Regeneration Act 2023.

- 4.5 Overall, current forecasts for Collection Funds indicate a surplus of £0.021m in 2025/26.
- 4.6 For 2025/26 pay inflation for all terms and conditions is 2%. Provision is made for incremental progression and performance related pay (where applicable), the correction of historic anomalies and other changes in the pay budget identified through budget monitoring in the current year.
- 4.7 Price inflation has been allocated for specific items identified during the budget setting process. The remainder of the originally allocated 2% price inflation, totalling £270,000, has been allocated to contingency for 2025/26 only, giving a total contingency of £0.5m. As noted earlier in this report the OBR forecast is for CPI to remain above the Government's 2% target during 2025/26 and it is intended the contingency budget will be utilised to support any inflationary pressures. Price inflation is included at 2% for 2026/27 and the remainder of the MTFP.
- 4.8 The MTFP also models three future funding scenarios:
- Higher range – SFA increases by 2% pa from 2026/27 (in line with our forecast for pay and price inflation), council tax threshold is 3% pa from 2026/27
 - Mid range - SFA is cash flat from 2026/27, council tax threshold is 3% pa from 2026/27
 - Lower range – Funding is cash flat at 2025/26 levels

The MTFP mid range shows a budget gap for the remaining four years of the MTFP, which indicate additional base savings of up to £2.815m would be required (£5 option).

It should be noted there is uncertainty over funding from 2026/27. The higher range indicates additional base savings of up to £2.268m would be required. The lower range the additional base savings required are £3.867m (both £5 option).

- 4.9 There is a range of risks that have the potential to impact on the Authority's ability to deliver its budget plans over the medium term to which Members must give consideration, primarily:
- Our ability to identify and deliver the savings required to balance the budget over the medium term;
 - Increasing costs of capital schemes due to inflation which are impacting on the long term affordability of the capital programme;
 - Increased reliance on borrowing to fund future capital investment from 2024/25 onwards and the resulting impact on the revenue budget;
 - Lack of clarity about the financial impact of the national Emergency Service's Mobile Communication Programme;
 - The potential for pay awards to exceed the provision in the budget (each additional 1% above the 2% provision would increase costs by £0.393m);
 - The potential for non-pay inflation to exceed the provision made in the revenue budget and the capital programme (each additional 1% above the 2% provision would increase costs by £0.136m);

- The potential that the Government will not fully fund the impact of changes to NICs for local authorities;
- Uncertainty about future governance and funding including:
 - the outcomes from the Comprehensive Spending Review
 - the impact of any changes to the funding formula
 - for the impact of any changes to the business rates system
- The impact of local growth and additional housing, road and commercial risks;
- The impact of the English Devolution White Paper particularly proposals for unitary structures in two tier areas and mayoral control of fire authorities;
- The financial implication of climate change both through service delivery (response to extreme weather events) and the need to meet the national target for net zero carbon emissions by 2050;
- The outcomes of the Fire and Rescue reform White Paper Outcomes for the fire service nationally and locally from the HMICFRS inspection process including the ongoing process of cultural change and strengthening of inclusion and diversity;
- The impact of the Building and Fire Safety Acts and Grenfell II on fire service responsibilities and the resultant cost of compliance/delivery;
- The possibility of industrial action across the sector.

4.10 The Authority has made provision to manage financial risks and in year pressures through both the Reserves Strategy and a contingency within the Revenue Budget of £0.500m in 2025/26 (including on a one-off basis general non pay inflation provision of 2%) increasing to £0.541m by 2029/30.

4.11 In order to produce a balanced budget for 2025/26 a total of £1.863m will be funded through one-off savings and flexibilities. Permanent savings will need to be identified ahead of 2026/27 to ensure the budget can be balanced. A further £0.512m will be funded by reserves. The use of reserves to balance the budget is a legitimate approach where it assists with smoothing the impact/delivery of planned savings, but the approach cannot form an ongoing part of budget setting as it is not financially sustainable.

Under the 2.99% council tax option a further £0.547m will be funded by reserves (£1.059m in total).

4.12 The following financial sustainability provisions have been included within the MTFP

- Increased contributions to the capital programme reserve, up to £3m by 2027/28 to match the expected baseline level of spend thereby reducing the need to take new borrowing
- Transfer of £0.400m to the general reserve to return to the reserve to the 5% policy minimum by 2027/28 (£5 option) and beyond that to keep pace with the net revenue budget
- Under the 2.99% council tax option the return to the 5% policy minimum is delayed, with a transfer of £1.040m to the general reserve by 2029/30.

- 4.13 In overall terms the assumptions set out in the report mean that the revised MTFP shows a balanced budget in 2025/26 with the use of one-off savings/flexibilities and reserves. Under the mid-range scenario further savings of £2.595m in 2026/27, £2.815m in 2027/28, £2.389m in 2028/29 and £1.990m in 2029/30 are required. Under the higher range scenario, the savings reduce to £0.641m by 2029/30 and under the lower range the savings increase to £7.446m by 2029/30.

Under the 2.99% council tax option £2.833m further base budget savings would be required under the higher range scenario, reducing to £1.270m by 2029/30. Under the lower range scenario further savings of £7.993m will be required by 2029/30.

5. **PROJECTED REVENUE POSITION 2024/25**

- 5.1 The revised Service Revenue Budget for 2024/25 is £49.992m. Based on figures to the end of November 2024, the revenue budget is forecast to underspend by £0.038m.
- 5.2 Should an overspend materialise this will need to be funded from reserves.

6. **REVENUE BUDGET 2025/26**

6.1 **Impact of national funding changes on local position**

- 6.1.1 The Revenue Budget Summary for 2025/26 and the MTFP have been updated to reflect the provisional LGFS, and the most recent information advised by the billing authorities on council tax base, business rates base and Collection Fund surpluses and deficits. The position is summarised below in Table 1.

Table 1: Summary of Impact of Local Government Finance Settlement

	2025/26
	£'000
Locally Retained Business Rates	2,510
Top Up Grant	5,663
Business Rates Baseline	8,173
Revenue Support Grant	5,741
Settlement Funding Assessment	13,914
S31 Grant - Business Rates Adjustment	2,461
Total for comparative purposes	16,375
As reported to Fire Authority December	16,561
Increase/(decrease) in funding	(186)

- 6.1.2 The Authority's council tax base for 2025/26 is calculated as 306,442.70, an increase of 1.40% on 2024/25. This increased tax base combined with a council tax increase of £5 yields additional income of £1.988m.

Under the 2.99% council tax option the additional income available is £1.440m.

- 6.1.3 Overall, current forecasts for Collection Funds indicate a surplus of £0.021m in 2025/26, albeit this is yet to be finalised by billing authorities.

Table 2: Movement in Resources

	2025/26 Latest position	2025/26 Fire Authority December 2024	Increase / (Decrease)
	£'000	£'000	£'000
Locally Retained Business Rates	2,510		
Business Rates Top up	5,663		
Business Rates Baseline	8,173		
Revenue Support Grant	5,741		
Settlement funding assessment	13,914	14,334	(420)
Section 31 Grant Business Rates adjustment	2,461	2,227	234
Collection Fund Surplus / (Deficit)	21	0	21
Council Tax and Business Rates			
Council Tax Requirement	34,472	34,291	181
Total Resources	50,868	50,852	16

6.2 Comparative position

- 6.2.1 As part of the provisional LGFS the Government publishes an assessment of all authorities' core spending power. For 2025/26 this Authority's increase in core spending power is assessed as 1.8% which is lower than the average for stand-alone fire & rescue authorities of 2.8%. (see Appendix H). The Government's calculation of core spending power (CSP) assumes that all authorities set a council tax increase at the referendum threshold. It also uses a five year historic average figure for council taxbase growth rather than the actual 2025/26 figure.
- 6.2.2 A comparison of Band D council tax for 2024/25 shows that this Authority ranks fourth highest out of 22 combined fire authorities. The Authority's Band D tax for 2024/25 was 7.8% higher than the authority ranked one below and 4.6% lower than the authority ranked higher.

6.3 Overview of current budget proposals

- 6.3.1 The Budget Strategy of the Fire Authority is to support the following policy priorities:
- (i) to fulfil the Fire Authority's statutory duties as a legally separate authority.
 - (ii) to ensure the Fire Authority has sufficient resources to meet its statutory responsibilities, not only for the current year, but also for the investment required primarily for the replacement of assets to ensure long-term service sustainability.
 - (iii) to discharge its duties, as established under the Combination Order, with regard to determining an annual budget and consulting with stakeholders of its budget proposals, as appropriate.

- (iv) to deliver our Purpose and Commitments through our Integrated Risk Management Plan (IRMP) and our other key corporate strategies.
- (v) to identify sufficient savings over the medium term to ensure it has a balanced budget and sustainable medium term finance plan in the light of the significant uncertainty for future funding.

6.3.2 The Authority has since 2010/11 achieved £13.759m of operational and non-operational savings. The current MTFP shows identified savings additional £0.690m over the period covered by the MTFP. As noted above, additional savings are required to balance the budget over the MTFP under all of the scenarios modelled.

6.3.3 Precepting status means that the Revenue Budget has to be balanced within the context of the impact upon council taxpayers and demands and pressures faced by the Fire Authority in meeting its statutory obligations, commitments and requirement to maintain an effective level of Reserves and Balances. The 2025/26 Revenue Budget has been prepared against a background of continued uncertainty regarding future funding for public services.

Table 3: Summary of Net Budget Requirement (£5 option)

	£'000	Change %
Original Estimate 2024/25	49,992	
Pay inflation	748	1.49%
Non pay inflation	271	0.54%
Changes in capital financing	194	0.39%
Commitments and bids	793	1.59%
Savings	(618)	(1.24%)
Reserve funding	(512)	(1.02%)
Original Estimate 2025/26	50,868	1.75%

Under the 2.99% option the reserve funding increases to £1.059m and the original estimate totals £50.319m, an overall increase of 0.65%)

6.4 Consultation

6.4.1 On 23 April 2020, the Authority agreed to commence an 8- week public consultation on the draft Integrated Risk Management Plan (IRMP) 2020-2025 'Planning for a Safer Future'. The full results of the consultation, which ended on the 19 June 2020, were reported to the Fire Authority at its meeting on 3 September 2020 (Item 88). The consultation programme was adapted in light of the restrictions that Covid-19 and the associated lockdown brought. Guidance was sought from professional bodies including the Consultation Institute and our consultation services provider, Opinion Research Services. In addition, the Monitoring Officer gave legal advice on the Covid-19 guidance for local authorities.

In total, 2,047 responses were received:

- 836 questionnaire responses were received
- 620 telephone surveys were completed
- 40 residents attended the focus groups or undertook a depth interview
- 38 stakeholders attended the webinar

- 360 unique submissions, 152 standardised submissions and one petition were received

This is the highest number of responses received in any IRMP consultation exercise undertaken to date by this Authority.

6.4.2 The questionnaire included some questions related to the Authority's financial plans and the responses are summarised as follows:

The extent to which ESFRS offers value for money

- Open consultation questionnaire Around three quarters (74%) of respondents agreed that ESFRS offers value for money, whilst less than 1 in 10 (7%) disagreed, and around 1 in 5 (19%) neither agreed nor disagreed.
- Residents' Survey Almost 9 in 10 (88%) residents agreed that ESFRS offers value for money, whilst only 2% disagreed, and 1 in 10 (10%) neither agreed nor disagreed.
- Stakeholder webinar Of the 19 stakeholders who elected to answer this question, 12 agreed (7 strongly) that ESFRS offers value for money, 4 neither agreed nor disagreed and 1 disagreed. There were 2 'don't knows'.

ESFRS is considering options for future council tax rises in light of funding uncertainties beyond 2020/21

- Open consultation questionnaire More than 4 in 5 (83%) respondents would be willing to pay more in council tax for their local fire and rescue service (ESFRS) next year, whilst 17% would not be willing.
- Residents' Survey Around 4 in 5 (81%) residents would be willing to pay more in council tax for their local fire and rescue service next year, whilst around 1 in 5 (21%) residents would not.
- Public focus groups/depth interviews All but three public participants said they would be willing to pay more for ESFRS next year (one said they were not prepared to and there were two 'don't knows').

If you are willing to pay more in council tax for your local fire service next year, what level of increase would you accept?

**Option A - an increase up to 3% depending on what the Government allows -
Option B - an increase more than a 3%**

- Open consultation questionnaire Of the respondents who would be willing to pay more in council tax for their local fire and rescue service next year, just over half (55%) preferred Option A (an increase of up to 3% depending on what the Government allows), whilst just under half (45%) preferred Option B (an increase of more than 3%).

- Public focus groups/depth interviews Among the 37 public participants who were prepared to bear an increase, opinion was almost equally split between those who would tolerate an up to 3% rise (18) and those who would tolerate an over 3% rise (19).
- Those who supported a more than 3% rise typically commented that the weekly increase would be 'less than a cup of coffee' and considered it a more than reasonable price to pay for an "essential" public service.
- Those who supported a less than 3% increase did so on the grounds of affordability, for themselves and for others – and the impact of the Covid-19 pandemic on people's finances was raised in the context of keeping increases to a minimum currently.
- Stakeholder webinar 16 of the 19 stakeholders offered a view as to the level of increase they would be prepared to tolerate: 5 opted for an up to 3% rise; 4 for more than 3%; and there were 7 'don't knows'.

New consultation will be carried out as part of the new Community Risk Management Plan (CRMP) process during 2025/26.

6.4.3 We have consulted partners, representative bodies and business groups on our budget proposals for 2025/26 and have not received any feedback from this process.

6.5 Fees and Charges

6.5.1 The existing policy is for fees and charges to be reviewed not less than once a year and that increases should take into account the cost of providing the service, including the effects of inflation.

6.5.2 Appendix C gives details of increases in fees and charges for fire and rescue service activities. The Revenue Budget assumes that the current policy will be followed, i.e. that income will rise to ensure that net expenditure will increase by no more than the rate of inflation. The main impact on the costs of providing these services is pay related. Therefore, to reflect the nationally agreed increase in pay it is proposed to increase the fees and charges in line with this inflation and adjust for previous years where pay awards were higher than the budgeted amounts.

6.6 Main Variations

6.6.1 In setting the 2025/26 Revenue Budget a number of commitments have already been agreed, either previously as part of the 2024/25 budget setting or from the 2025/26 budget setting and Star Chamber process. These add to or reduce the revenue budget as pressures and cyclical items and one-off projects are added and removed. Some are fixed sums and others are driven by assumptions. The current position is illustrated in table 4.

Table 4: 2025/26 Budget Commitments

Description	Directorate	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	29/30 £'000
Budget Pressures						
Existing Service Pressures approved						
February 2024						
Airwave – Home Office Grant	DT&C	48	48	0	0	0
STC Overtime	R&RR	(160)	0	0	0	0
Treasury Management income	Corporate	250	40	0	0	0
Reduction in Vehicle sales 2024/25 (one off)	OSR	(10)	0	0	0	0
Defib Replacement	OSR	10	0	0	0	0
Driver training	R&RR	5	15	15	(8)	0
Finance ERP System – licensing and support	RT	50	0	0	0	0
Oracle implementation delay/extension (one off)	RT	(50)	0	0	0	0
IT Outsource	DT&C	480	0	0	0	0
Condition Surveys (one off)	RT	(81)	0	0	81	(81)
Support Staff increments	All	0	66	66	66	66
New Service Pressures						
Ill health retirements	Corporate	(35)	(50)	(25)	(31)	0
Inphase - Licences business planning tool (PIT)	RT	12	0	0	0	0
CloudConnX	RT	16	0	0	0	0
ITHC -Telent	DT&C	8	0	0	0	0
Canon MFD Usage	DT&C	11	0	0	0	0
Telent - Aligned Assets	DT&C	1	0	0	0	0
3i Estates Oakleaf	DT&C	1	0	0	0	0
3TC IRS	DT&C	6	0	0	0	0
Barbour - BSI Fire HSE subscription service	DT&C	2	0	0	0	0
Home Office - Firelink	DT&C	5	0	0	0	0
NCEC - Chemdata Licences	DT&C	2	0	0	0	0
XVR - Training centre - Simulation software	DT&C	3	0	0	0	0
Precisley - Winshuttle - HR Software	DT&C	1	0	0	0	0
Text Anywhere	DT&C	15	0	0	0	0
MLL Azure Express Route	DT&C	7	0	0	0	0
Telent - HR Process digitisation (PCF)	DT&C	18	0	0	0	0
O365 Enterprise Agreement	DT&C	14	0	0	0	0
Telent - CRM support	DT&C	4	0	0	0	0
Pelion MDT Sims and Stream	DT&C	3	0	0	0	0
Telent - Focus Group (EVAD) Mobile	DT&C	16	0	0	0	0
Adobe - Additional licences	DT&C	4	0	0	0	0
Inflationary Increases to JFC standard costs	OSR	64	2	0	0	0
Hydrant Repairs	OSR	65	3	3	4	4
Vehicle Build Officer	OSR	5	(5)	0	0	0
Pay uplift for Clinical lead role	PS	30	0	0	0	0
Additional Income for Clinical lead role	PS	(26)	0	0	0	0
Strategic Estates Manager Market Supplement	RT	13	0	0	0	0

General Furniture Budget	RT	15	0	0	0	0
Design Guide Furniture Budget	RT	35	(35)	0	0	0
Mechanical, Electrical, Fuel and Cleaning Term Contract Retender uplift	RT	50	0	25	0	25
Estates - secondment uplift / job evaluation	RT	10	0	0	0	0
Mayfield - one off costs - planning permission, security fencing, sale costs, estate agent fees	RT	56	(56)	0	0	0
Support Services Collaboration	RT	22	0	0	0	0
External Audit Fees	RT	14	0	0	0	0
Risk and Insurance Business Partner	RT	0	38	0	0	0
Intend portal costs	RT	1	0	0	0	0
Flexi Duty Pay Protection	R&RR	20	0	(20)	0	0
Mayfield - One Off Costs - redundancy	R&RR	34	(34)	0	0	0
Mayfield - One Off Costs - ancillary	R&RR	1	(1)	0	0	0
Wholetime Firefighter Training	R&RR	150	0	0	0	0
Scrap Cars Inflation	R&RR	27	0	0	0	0
On Call Retainer Pay Award	R&RR	422	0	0	0	0
Increase in frontline resources	R&RR	381	0	0	0	0
Unfunded pensions	Corporate	85	0	0	0	0
Pension Grant	Corporate	65	0	0	0	0
Increase in National Insurance Contributions	All	673	0	0	0	0
Grant Funding for National Insurance Contributions	All	(673)	0	0	0	0
Total Pressures		2,195	31	64	112	14
Budget Bids						
Bids Originating in 2024/25 budget setting process						
Top up Capital Programme Reserve	Central	500	500	500	0	0
Top up reserve - ITG Strategy (one off)	Central	0	250	(250)	0	0
Pensions Specialist	PS	(64)	4	0	0	0
Funding for Pension Specialist from Pension Reserve	PS	67	0	0	0	0
Direct Entrant	PS	(37)	(35)	0	0	0
Direct Entrant – Funded by Protection Grant	PS	33	0	0	0	0
Reduction of Workforce Transition budget (one off)	PS	200	0	0	0	0
Wholetime Recruitment (one off)	PS	175	0	0	0	0
Lightweight flat hose (one off)	OSR	(15)	0	0	0	0
PPE Specialist Functions	OSR	5	(55)	0	0	0
Increase Mobilising Reserve	OSR	25	0	0	0	0
Treadmill replacements (one off)	PS	(45)	0	0	0	0
Gym Refurbishment (one off)	PS	(25)	0	0	0	0
Gym Refurbishment – Funded from carry forward reserve	PS	18	0	0	0	0
PPE for FF recruitment (one off)	PS	(5)	0	0	0	0
HR Support for IRMP/Future Foundations (one off)	PS	(67)	0	0	0	0

Project Management for CRMP (one off)	DT&C	0	(26)	0	0	0
Project Co-ordination for CRMP (one off)	DT&C	0	(8)	0	0	0
Data Management (one off)	DT&C	(235)	(30)	0	0	0
Funding from I&E / ITG Strategy (one off)				0		
Public Consultation for CRMP	Corporate	257	0		0	0
Advert & Publicity for CRMP	DT&C	38	(38)	0	0	0
Microsoft Roadmap implementation (one off)	DT&C	3	(3)	0	0	0
Funded from ITG Strategy	Corporate	(200)	0	0	0	0
Fire Compartmentation Survey (one off)		200	0	0	0	0
Flood defences – Lewes and Rye (one off)	RT	(45)	0	0	0	0
Multi station draining review (three year only)	RT	(35)	0	0	0	0
Safer Communities flexibility (one off)	RT	34	0	0	(34)	0
Increase contingency budget	R&RR	(200)	0	0	0	0
Bids 2025/26	Corporate	(515)	0	0	0	0
Future Foundations implementation	Corporate	258	(258)	0	0	0
Future Foundations Reserve Funding	Corporate	(34)	34	0	0	0
Mobile Phone Upgrades	DT&C	6	(6)	0	0	0
E-Learning Protecting Information	DT&C	4	0	0	0	0
ITG Manager (handover period)	DT&C	23	(23)	0	0	0
Logistics Control Support posts	R&RR	(22)	0	0	0	0
SLT Development	Corporate	10	0	0	0	0
3i Functional uplift- PPM Management	RT	5	(4)	0	0	0
Accessibility (DDA) surveys	RT	25	(25)	0	0	0
PPM of additional land at Bohemia Road	RT	10	0	0	0	0
Assistant Finance Business Partner						
Maternity Cover	RT	14	(14)	0	0	0
PTI Standardisation Days (wastage through retirements) - external training budget	PS	7	0	0	0	0
Accident Investigation						
Standardisations Days - external training budget	PS	3	0	0	0	0
Manual Handling Instructor						
Standardisation Days - external training budget	PS	2	0	0	0	0
CRM Tablet Update	DT&C	0	0	0	0	30
Reduction in Workforce Transition budget	People Services	(225)	0	0	0	0
Reduction in ITG Revenue						
Contribution to IT Strategy Reserve (one off)	Corporate	(592)	592	0	0	0
Reduction in ITG Projects (one off)	Corporate	(671)	671	0	0	0
General Reserve Top Up	Corporate	(292)	200	0	(130)	0
Total Bids		(1,402)	1,726	250	(164)	30

Overall Total	793	1,757	314	(52)	44
Cumulative Total	2,550	2,864	2,812	2,856	

**Under the 2.99% model the general reserve will be topped up by a further £500k between 2026/27 and 2029/30*

6.6.2 The main variations reflect:

- Pay budget adjustments, including incremental progression for support staff
- Ill health retirements
- Wholtime firefighter training
- Future Foundations implementation
- Additional ongoing flexibility for Safer Communities, this includes the reallocation of staffing budgets from Mayfield Fire Station
- IT Outsource from 2025/26

The following variations were made to provide a balanced budget:

- A reduction of £225,000 in the Workforce transition budget (ongoing)
- Removal of I&E top up of £200,000 (ongoing)
- Removal of ESN top up of £250,000 (one-off)
- Removal of IT Strategy top up of £592,000 (one-off)
- Cancellation of IT Strategy Projects £671,000 (one-off)
- Removal of general reserve top up £150,000 (one-off)

6.7 Efficiency Strategy and Planned Savings

6.7.1 Since 2010/11 and to the end of this MTFP, the Authority has made, and has planned to make, savings totalling £14.449m of which £11.876m will have been delivered by the end of 2024/25. The MTFP includes savings of £0.618m for 2025/26 and savings of £0.690m over the duration of the MTFP. These savings are shown in table 5 below:

Table 5: Savings

Description	Directorate	25/26	26/27	27/28	28/29	29/30
		£'000	£'000	£'000	£'000	£'000
Existing Service Savings approved February 2024						
Procurement savings	RT	(25)	(25)	(25)	(25)	(25)
Telent contract savings	RT	51	17	0	0	0
EDI Training	PS	10	0	0	0	0
STC Overtime	R&RR	160	0	0	0	0
Engineering restructure	OSR	(70)	(13)	0	0	0
Integrated Health & Safety System	RT	23	0	0	0	0
Prevention Establishment	R&RR	(25)	0	0	0	0
Future Foundations/Vacancy Management	All	(191)	0	0	0	0
Savings 2025/26						
Active Informatics TSM Phoenix	DT&C	(12)	(15)	0	0	0

Integrated H&S System	DT&C	(23)	23	0	0	0
Fuel	OSR	(35)	0	0	0	0
Learning Pool subscription	R&RR	(16)	0	0	0	0
Webcasting	RT	(15)	15	0	0	0
Water	RT	(8)	0	0	0	0
Courier	RT	(23)	0	0	0	0
Archive	RT	(10)	0	0	0	0
STC Kitchen Utilities and Maintenance	RT	(4)	0	0	0	0
Uniform - PPE	RT	(5)	0	0	0	0
Procurement External Training	RT	(5)	0	0	0	0
Procurement Travel	RT	(1)	0	0	0	0
Removal of on-site catering provision	R&RR	(62)	0	0	0	0
OSB Board	R&RR	(2)	0	0	0	0
Accommodation	R&RR	(7)	0	0	0	0
Reduction in Contingency budget	Corporate	(270)	0	0	0	0
Closure of Mayfield	DT&C	(7)	0	0	0	0
Closure of Mayfield	RT	(46)	0	0	0	0
Overall Total		(618)	2	(25)	(25)	(25)
Cumulative Total		(618)	(616)	(641)	(666)	(690)

- 6.7.2 To provide a balanced budget for 2024/25 a saving of £270,000 has been made against the contingency budget, reducing the balance of the contingency budget for 2024/25 to £500,000. This figure includes the centrally held 2% general inflation provision of £270,000.
- 6.7.3 The latest forecast is that Future Foundations (formerly Tranche 3) can deliver savings of £415,000 in 2024/25, which includes £200,000 from temporary vacancy management, with the full saving of £630,000 being delivered for 2025/26.
- 6.7.4 The key areas of focus for identifying additional savings required to balance the Authority's budget over the life of the MTFP:
- CRMP – will identify options for resourcing to risk that are scale-able in the expectation that further savings from community facing services will need to be identified.
 - Future Foundations – will identify options for cash releasing efficiencies that will build on the £0.630m already built into the MTFP for 2025/26.
 - Non pay budget review and financial benchmarking – analysis to identify opportunities to reduce costs based on historic trends and comparison with other similar authorities.

7. **CAPITAL PROGRAMME**

- 7.1 The Capital Asset Strategy (CAS) reflects the Authority's identified capital investment requirements for the next five years. The CAS builds on the existing Estates, Fleet & Equipment and IT Strategies. A separate Star Chamber was held to review capital priorities against the available funding which was defined as that

remaining unspent from the MTFP agreed in February 2024 with the addition of £3m additional revenue funding in 2029/30 giving total funding on £25.164m over five years. All existing projects were reviewed to ensure that costs reflected recent inflationary pressures.

7.2 An initial review of the Estates Capital Programme has been carried out in the light of the challenges experienced in its delivery since 2019 which have resulted in significant delay / slippage experienced and the impact of inflation on scheme costs which will make the Programme unaffordable in its current form. This has resulted in a two phase approach:

- The agreement of short term priorities to the end of 2025/26 against the capacity and funding available for delivery.
- A full review of the Estates Strategy, Design Guide and remaining capital programme in 2025/26.

Further detail is provided in Appendix D.

Investment of £2.5m is included across 2025/26 and 2026/27 for IT Flexi Cloud migration and £2.0m across 2026/27 and 2027/28 in anticipation of the replacement of the Vision mobilising system at Joint Fire Control.

7.3 As capital reserves are drawn down the Authority must now plan to enter into new borrowing over the life of the Strategy and the Treasury Management Strategy will carefully consider the options available. The Revenue impact of new borrowing is reflected in the MTFP. The MTFP includes the cost of financing capital expenditure with increases of £194,000 in 2025/26, £539,000 in 2026/27 and £240,000 in 2027/28 before reductions of £18,000 in 2028/29 and £59,000 as borrowing is delayed due to slippage and reprofiling of the capital programme alongside increases in PWLB long term borrowing rate. As of 31 March 2025, the Authority's debt will be £11.486m and is forecast to stand at £21.009m by the end of the MTFP. The total revenue costs of borrowing (MRP (Minimum Revenue Provision) and interest) will increase by £0.953m to £1.854m over the MTFP.

7.4 In order to move towards a more sustainable approach to funding the capital programme it is proposed that for planning purposes revenue funding for the CAS is increased gradually over the life of the MTFP from £1.5m (2024/25) to £3.0m (2027/28). The principal being that normal replacement and maintenance of existing capital assets can wherever possible be funded from revenue and that additional borrowing is required only to fund new projects, where a business case has been made that takes into account the cost of borrowing against any savings.

Table 6: Change in Capital Investment 2024/25 to 2029/30

	Total resource	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2025/26 Strategy							
Fleet	9,849	2,346	2,703	1,625	1,876	531	768
Property	19,167	5,583	5,000	4,903	1,200	1,051	1,430

IMD	2,500	0	1,250	1,250	0	0	0
JFC/Vision Replacement	2,000	0	600	700	700	0	0
Total Cost	33,516	7,929	9,553	8,478	3,776	1,582	2,198
2024/25 Strategy							
Fleet	11,398	2,773	2,198	1,954	2,049	2,424	
Property	16,034	8,472	3,706	2,538	613	705	
IMD	2,500	0	1,250	1,250	0	0	
JFC/Vision Replacement	1,000	0	0	500	500	0	
Total Cost	30,932	11,245	7,154	6,242	3,162	3,129	
Increase / (Decrease) in planned spend							
Fleet	(1,549)	(427)	505	(329)	(173)	(1,893)	768
Property	3,133	(2,899)	1,294	2,365	587	346	1,430
IMD	0	0	0	0	0	0	0
JFC/Vision Replacement	1,000	0	600	200	200	0	0
Total Increase / (Decrease)	2,584	(3,326)	2,399	2,236	614	(1,547)	2,198

8. RESERVES & BALANCES

- 8.1 Reserves are an essential part of good financial management. They help authorities cope with unpredictable financial pressures and plan for their future spending commitments.
- 8.2 The Authority's Reserves Strategy is set out in Appendix E and sets out how the adequacy of the level of General Reserves has been assessed and the details of the level and purpose of the Authority's Earmarked Reserves. The format reflects the template developed by the NFCC Finance Co-ordination Committee to promote greater consistency across the sector.
- 8.3 In order to produce a balanced budget for 2025/26 a total of £0.512m will be funded from reserves (£1.059m under the 2.99% option). This is a legitimate approach where it assists with smoothing the impact/delivery of planned savings, however this approach cannot form an ongoing part of budget setting as it is not financially sustainable. The Authority must take the necessary action in 2025/26 to ensure that forecast additional savings requirement of £2.595m (£3.161m under the 2.99% option) is delivered by 1 April 2026. This will reduce the requirement, based on current modelling, to use reserves to balance the budget in future years.
- 8.4 The Authority holds a number of earmarked reserves to support the delivery of a range of strategies and projects. These are all planned to be consumed in the next year or two as these projects are delivered. The Improvement and Efficiency earmarked reserve is used to support various projects, invest to save and efficiency initiatives and stands at £91,000, with the balance fully committed in 2025/26. The I.T. reserve is topped up annually from the revenue budget (by £592,000 a year

from 2026/27) to deliver the IT strategy. Top ups to a number of earmarked reserves that had formed part of the MTFP have been identified as savings as part of budget setting and these are set out in section 6 of this report.

- 8.5 The Authority is required to maintain general reserves sufficient to cover the key financial risks that it faces, and currently sets its policy for the General Reserve at a minimum of 5% of its net revenue budget. The detailed risk assessment in Annexe A indicates that the overall assessed risk has not changed since last year. The National Fire Framework requires authorities to explain the reasons for holding general balances above 5%. A summary of the forecast year end reserves and balances position is set out in table 7 below.
- 8.6 The general reserve is currently 5.58% of the revenue budget during 2024/25. There is a requirement to draw down from the general reserve to balance the budget in 2025/26. The MTFP includes provision for increasing the reserve by £0.540m and will return the reserve to the 5% minimum as per the policy by 2027/28 under the £5 option (top up of £1.040m is required to return the reserve to the 5% minimum by 2029/30 under the 2.99% option).

Table 7: Summary of Forecast Reserves

	31/03/2025 £'000	31/03/2026 £'000	31/03/2027 £'000	31/03/2028 £'000	31/03/2029 £'000	31/03/2030 £'000
Capital Programme Reserve	0	0	0	0	1,418	2,200
Other Earmarked Reserves	3,844	732	269	272	258	258
Total Earmarked Reserves	3,844	732	269	272	1,676	2,478
General Fund	2,792	2,280	2,480	2,680	2,750	2,820
Capital Receipts	0	0	0	0	0	0
Total Useable Reserves	6,636	3,012	2,749	2,952	4,426	5,298

9. CHIEF FINANCE OFFICER STATEMENT

- 9.1 Under Section 25 of the Local Government Act 2003, the Assistant Director Resources and Treasurer as statutory Chief Finance Officer, is required to give Members an opinion on the robustness of the budget estimates and the adequacy of the Authority's proposed financial reserves.
- 9.2 **Robustness of budget estimates** – each year the Authority sets out a five-year Medium Term Finance Plan (MTFP) which reflects the financial impact of known and assumed pressures, commitments, bids and savings and compares this to estimated funding levels. Where actual figures are not known best estimates are used. The MTFP is developed to be realistic, deliverable and sustainable over the medium term. It reflects the strategic priorities set out in the Integrated Risk Management Plan 2020-25 and its supporting corporate strategies and plans. There is a robust and detailed approach to setting the budget that involves the Senior Leadership Team and their budget managers.

- 9.3 A balanced budget is proposed for 2025/26. It is, however, dependent on a significant level of one-off savings and the use of reserves which is not a sustainable position. Therefore, the Authority must ensure that it has a sharp focus both on delivering the savings proposals included within the budget but also in identifying at the earliest opportunity sustainable permanent savings to enable the budget to be balanced for 2026/27 and over the medium term, and general balances to be returned to the 5% policy minimum level. This will mean that the Community Risk Management Plan (CRMP) will need to be developed in the context of the resources available to the Authority, further cash releasing efficiencies identified through the Future Foundations programme and that the Authority will need to consider reductions in services and the affordability of its future investment plans, as well as further efficiencies.
- 9.4 The Authority maintains flexibility to manage in year pressures through its revenue contingency which is budgeted at £0.5m but this includes a general non pay inflation provision of 2% which is held centrally.
- 9.5 The MTFP has been developed at a time when there is significant uncertainty around future funding beyond 2025/26, with another one-year financial settlement, a CSR next spring, funding reform, a Business Rates reset and potential structural changes through devolution. A range of other risks faced by the Authority which have potential financial implications is set out in paragraph 4.9. The Authority must continue to actively monitor and assess these risks and any other changes which may have a financial impact.
- 9.6 **Financial Reserves** - Every year the Authority's Reserves Strategy is reviewed and updated to ensure that it remains relevant and appropriate (see section 8 and Appendix E). The Authority has set a policy to maintain a minimum level of general reserves at 5% of the net revenue budget. The actual level is expected to be at 5.58% as of 31 March 2025, however a drawdown from this reserve is planned to balance the budget. Additional contributions will be made through the MTFP to bring it back to 5% by 2027/28 (or 2029/30 under the 2.99% option). The level of earmarked reserves has reduced significantly in recent years as a result of planned investment, primarily in our fleet, estate and IT assets, and is forecast to reduce from £6.7m (31/03/24) to a low point of £2.7m (31/03/27). The Authority therefore has less financial flexibility through its reserves than in recent years to manage risk.
- 9.7 **Assurance** – the Authority has sound governance, risk management and internal control arrangements, as set out in its Annual Governance Statement and gains assurance from the work carried out by internal and external audit. His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) carried out a full inspection during 2022/23 and concluded that the Authority is good at using its resources efficiently, has good financial management in place and some assurance measures to keep control of spending. Scenario planning is used effectively so that strategic plans are robust. The Authority will undergo a further inspection early in 2025.
- 9.8 In my view as Treasurer, the estimates used for the purposes of calculating the budget, revenue and capital, have been produced in a robust and transparent way

and the proposed financial reserves are consistent with Fire Authority policy and are both appropriate and necessary.

10. EQUALITY IMPACT ASSESSMENT

- 10.1 Following the introduction of the Equality Act 2010 the Authority must, in the exercise of its functions, including the setting of its Revenue Budget and the taking of decisions on savings proposals, have due regard to its duties under the Act and in relation to certain protected characteristics. This means that Members must understand the consequences of the decisions they take for those with the relevant protected characteristics and consider these proportionately alongside other relevant factors.
- 10.2 All changes to strategy and policy and new projects are subject to individual Equality Impact Assessments. However, a high-level EIA of the budget proposals has been carried out and is attached at Appendix I.

MEDIUM TERM FINANCIAL PLAN 2025/26 – 2029/30

INCREASE COUNCIL TAX BY £5 IN 2025/26

	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000
Gross Revenue Service Budget	52,562	52,925	53,296	54,411	55,515
Less					
Specific grants	(2,455)	(2,408)	(2,408)	(2,408)	(2,408)
Other income	(369)	(375)	(380)	(388)	(395)
Total income	(2,824)	(2,782)	(2,788)	(2,795)	(2,802)
Net Service Budget	49,738	50,143	50,508	51,616	52,713
Capital financing costs less interest receivable	1,104	1,682	1,922	1,903	1,844
Capital expenditure from the Revenue Account	0	0	0	0	0
Transferred from reserves	(2,049)	(727)	0	0	0
Transferred to reserves	2,075	3,617	3,867	3,737	3,737
Total Net Expenditure	50,868	54,715	56,296	57,256	58,293
Net Budget brought forward	49,992	50,868	54,715	56,296	57,256
Transfer of pension grant to RSG	0	0	0	0	0
Unavoidable cost pressures					
Pay inflation	748	742	759	779	796
Price inflation	271	294	293	276	282
Total inflation	1,019	1,036	1,052	1,055	1,078
Changes in Capital Financing	194	539	240	(18)	(59)
Budget commitments	793	1,757	314	(52)	44
Savings approved	(618)	2	(25)	(25)	(25)
Reserve Funding	(512)	512	0	0	0
Total Net Expenditure	50,868	54,715	56,296	57,256	58,293
Sources of Funding	2025/26	2026/27	2027/28	2028/29	2028/29
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,510	2,510	2,510	2,510	2,510
Business Rate Top Up	5,663	5,663	5,663	5,663	5,663
Business Rates Baseline	8,173	8,173	8,173	8,173	8,173
Revenue Support Grant	5,741	5,741	5,741	5,741	5,741
Settlement Funding Assessment	13,914	13,914	13,914	13,914	13,914
Service Grant Allocation	0	0	0	0	0
Minimum Funding Guarantee	0	0	0	0	0
Section 31 Grant Business Rates adjustment	2,461	2,461	2,461	2,461	2,461
	16,375	16,375	16,375	16,375	16,375
Collection Fund (Deficit) / Surplus	21	0	0	0	0
Council Tax Requirement	34,472	35,744	37,106	38,492	39,928
Total Resources Available	50,868	52,119	53,481	54,867	56,303
Additional Savings Required / (surplus) - Mid Range	0	2,595	2,815	2,389	1,990
Additional Savings Required / (surplus) - Higher Range		2,268	2,153	1,386	641
Additional Savings Required / (surplus) - Lower Range		3,867	5,449	6,409	7,446

MEDIUM TERM FINANCIAL PLAN 2025/26 – 2029/30

INCREASE COUNCIL TAX BY 2.99% IN 2025/26

	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000
Gross Revenue Service Budget	52,562	52,925	53,296	54,411	55,515
Less					
Specific grants	(2,455)	(2,408)	(2,408)	(2,408)	(2,408)
Other income	(369)	(375)	(380)	(388)	(395)
Total income	(2,824)	(2,782)	(2,788)	(2,795)	(2,802)
Net Service Budget	49,738	50,143	50,508	51,616	52,713
Capital financing costs less interest receivable	1,104	1,682	1,922	1,903	1,844
Capital expenditure from the Revenue Account	0	0	0	0	0
Transferred from reserves	(2,596)	(727)	0	0	0
Transferred to reserves	2,075	3,617	3,865	3,735	3,735
Total Net Expenditure	50,322	54,715	56,294	57,254	58,291
Net Budget brought forward	49,991	50,319	54,712	56,294	57,254
Transfer of pension grant to RSG	0	0	0	0	0
Unavoidable cost pressures					
Pay inflation	747	742	759	782	798
Price inflation	271	294	293	274	280
Total inflation	1,018	1,036	1,052	1,056	1,078
Changes in Capital Financing	194	539	240	(18)	(59)
Budget commitments	793	1,757	314	(52)	44
Savings approved	(618)	2	(25)	(25)	(25)
Reserve Funding	(1,059)	1,059	0	0	0
Total Net Expenditure	50,319	54,712	56,294	57,254	58,291
Sources of Funding	2025/26	2026/27	2027/28	2028/29	2028/29
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,510	2,510	2,510	2,510	2,510
Business Rate Top Up	5,663	5,663	5,663	5,663	5,663
Business Rates Baseline	8,173	8,173	8,173	8,173	8,173
Revenue Support Grant	5,741	5,741	5,741	5,741	5,741
Settlement Funding Assessment	13,914	13,914	13,914	13,914	13,914
Service Grant Allocation	0	0	0	0	0
Minimum Funding Guarantee	0	0	0	0	0
Section 31 Grant Business Rates adjustment	2,461	2,461	2,461	2,461	2,461
	16,375	16,375	16,375	16,375	16,375
Collection Fund (Deficit) / Surplus	21	0	0	0	0
Council Tax Requirement	33,923	35,176	36,518	37,881	39,297
Total Resources Available	50,319	51,551	52,893	54,256	55,672
Additional Savings Required / (surplus) - Mid Range	(0)	3,161	3,401	2,997	2,619
Additional Savings Required / (surplus) - Higher Range		2,833	2,739	1,995	1,270
Additional Savings Required / (surplus) - Lower Range		4,414	5,996	6,956	7,993

REVENUE BUDGET OBJECTIVE SUMMARY

	2024/25 Original Estimate £'000	2025/26 Original Estimate £5 increase £'000	2025/26 Original Estimate 2.99% increase £'000
People Services	2,586	2,553	2,553
Resources/Treasurer	5,931	6,190	6,190
Digital Technology & Change	4,485	5,073	5,073
Total Deputy Chief Fire Officer	13,002	13,816	13,816
Response & Risk Reduction	27,269	29,492	29,492
Operational Support & Resilience	5,876	5,604	5,604
Total Assistant Chief Fire Officer	33,145	35,096	35,096
CFO Staff	937	947	947
Treasury Management	664	1,108	1,108
Non delegated costs	(998)	(1,491)	(1,491)
Corporate Contingency	1,015	500	500
Transfers from Reserves	(257)	(1,183)	(1,732)
Transfers to Reserves	2,484	2,075	2,075
Total Corporate	3,845	1,956	1,407
Total Net Expenditure	49,992	50,868	50,319

REVENUE BUDGET SUBJECTIVE SUMMARY

	2024/25	2025/26	2025/26
	Original Estimate	Original Estimate £5 increase	Original Estimate 2.99% increase
	£'000	£'000	£'000
Salaries, Allowances and On-costs	35,759	37,474	37,474
Training Expenses	557	1,000	1,000
Other Employees Costs	118	100	100
Employee Costs	36,434	38,574	38,574
Repair, Maintenance and Other Costs	1,406	1,506	1,506
Utility Costs	1,485	1,473	1,473
Premises Costs	2,891	2,979	2,979
Vehicle Repairs and Running costs	1,048	1,022	1,022
Travel Allowances and Expenses	65	63	63
Transport Costs	1,113	1,085	1,085
Equipment and Supplies	1,613	1,592	1,592
Fees and Services	7,968	6,060	6,060
Communications and Computing	1,987	1,984	1,984
Other Supplies and Services	290	288	288
Supplies and Services	11,858	9,924	9,924
Sums set aside from revenue	379	451	451
Interest Payments	581	703	703
Capital Financing	960	1,154	1,154
Grants and Contributions	(1,882)	(2,455)	(2,455)
Interest Received	(300)	(50)	(50)
Other Income	(311)	(369)	(369)
Income	(2,513)	(2,874)	(2,874)
Transfers from reserves	(3,235)	(2,049)	(2,598)
Transfers to reserves	2,484	2,075	2,075
Total Net Expenditure	49,992	50,868	50,319
Financed By:			
Council Tax	(32,384)	(34,472)	(33,923)
Business Rates	(8,371)	(8,173)	(8,173)
Revenue Support Grant	(5,639)	(5,741)	(5,741)
Service Grant Allocation	(49)	0	0
CSP Minimum Funding Guarantee	(1,165)	0	0
S31 Grants	(2,231)	(2,461)	(2,461)
Collection Fund Surplus/Deficit	(54)	(21)	(21)
Total Funding	(49,992)	(50,868)	(50,319)

FEES AND CHARGES

WITH EFFECT FROM 1 APRIL 2025

Fee	Existing Fees 2024/25 £	New Fees 2025/26 £
The hiring of a major pumping appliance with crew per hour	361	368
The hiring of other pumping vehicles with crew per hour	291	297
The hire of hydraulic platforms or turntable ladders with crew per hour	390	398
Large animal rescue per hour	361	368
Primary Authority Scheme per hour (fees set by Business Advice and Support Partnership)	82	105
Dry Riser (subsequent test at the owner's request):		
First Dry Riser	270	275
Additional Dry Risers	176	180
Interviews: *		
- Insurance co. etc.	176	180
- After two hours	115	128
Copy of Petroleum Licences *	43	44
Copy plans *	49	50
Standby at Venue	361	368
Fire Investigation Report	389	397
Chemical Protection Suit	203	207
Commercial Training Customers Site (per session up to 20 delegates):		
- Fire Marshal / Warden training (4 hours)	712	726
- Fire Extinguisher training (3 hours)	712	726
- Fire Awareness (3 hours)	712	726
Commercial Training One day course (per delegate)	221	225
Commercial Training Fire Safety at work (1 day, per delegate)	211	215
Commercial Training Fire Talk (without practical, 1 to 3 hours)	416	424
Inspection of Plans for Marriage Act 1994 *	148	151
Environmental search fees *	140	143

*All fees and charges will have VAT added except those marked with “ * ”*

MEDIUM TERM CAPITAL STRATEGY 2025/26 - 2029/30**Overview**

The Medium Term Capital Strategy has been developed in line with the Authority's purpose and commitments and its Integrated Risk Management Plan (IRMP). It aims to provide a sustainable and affordable level of investment to support our service provision to the communities of East Sussex and the City of Brighton & Hove. Where decisions have already been taken to change the service (including IRMP), which have capital investment implications, these are reflected in this strategy.

The main areas covered within the strategy are summarised below.

Estates Strategy- Capital Programme

An initial review of the Estates Capital Programme has been carried out in the light of the challenges experienced in its delivery since 2019 which have resulted in significant delay / slippage and the impact of inflation on scheme costs which are likely to make the Programme unaffordable in its current form. This has resulted in a two phase approach:

- The agreement of short-term priorities to the end of 2025/26 against the capacity and funding available for delivery
- A full review of the Estates Strategy, Design Guide and remaining capital programme in 2025/26

The agreed priorities to the end of 2025/26 are:

- Preston Circus
- Fort Rd Engineering Workshop
- Design Guide Refurbishments at Bohemia Rd, Eastbourne & Roedean
- Replacement of Live Fire Training Units (LFTU) at Service Training Centre (STC) (for completion in 2026/27)
- Provision of wet training capabilities at 3 station-based BA Chambers
- Design Guide Refurbishments at Seaford & Barcombe where CIL funding has been obtained

All other planned Design Guide Refurbishments (at Day Crew and Retained Stations) will be deferred until after a full review of the Estates Strategy, Design Guide and Estates Capital Programme in 2025/26 with the expectation that on grounds of affordability and deliverability the programme will be re-profiled for delivery over a longer period and will consider alternative and more cost effective approaches to achieving improved management of contaminants. Proposed spend on Estates schemes in 2026/27 onwards has been reduced to bring the overall CAS back within the available funding.

We continue to pursue options for further grant funding and collaboration to reduce the capital cost burden of updating the estate.

Estates Strategy– General Schemes

As noted above further work on Day Crew and On Call stations will commence after the review of the Estates Strategy excepting the CIL funded projects at Seaford and Barcombe.

Some capital investment may be brought forward at specific stations where the provision of gender appropriate welfare facilities is a priority.

Estates Strategy – Strategic Schemes

These schemes reflect the improvements necessary to deliver the standards set out in the 2018 Design Guide across our estate. The scope includes necessary reordering of internal spaces to mitigate the risk of contaminants, asset improvements to reduce energy consumption and remedial works identified in the condition surveys. Building on lessons learned from the first project at Hove a revised procurement strategy has been developed to expedite the delivery of the remaining Whole Time Stations during 2024/25 and 2025/26.

Our Carbon Footprint was established in 2022/23, and work is now underway to develop our Environment & Sustainability Action Plan with a programme of betterment works to reduce energy consumption and our carbon emissions. This is a service wide initiative with communications to promote behavioural change being led by Estates. Metrics will be published regularly to demonstrate the reductions being made.

Estates Strategy – Shared Investment Schemes

The 2018 Estates Strategy had a programme of property schemes which involved shared investment with partners either through the One Public Estates Programme (East Sussex and Greater Brighton) and the Integrated Transport Function (ITF).

Discussions continue with partners, particularly Sussex Police to identify opportunities for co-location and these will feed into the review of the Estates Strategy in 2025/26.

Integrated Transport Function (ITF) – South Eastern Hub Workshop

The Authority has approved a new scheme for the refurbishment of the vacant Fort Rd site in Newhaven into an Engineering Workshop as part of the wider ITF collaboration. This £2.677m scheme will be funded in part by Fire Transformation Fund Grant of £1.5m. Following the granting of planning permission and the appointment of a main contractor, works are expected to start in January 2025 and be completed by November 2025.

Preston Circus Fire Station

This major £4.9m scheme to refurbish our biggest and busiest fire station was completed in 2024/25 with crews moving back in mid-November from the temporary site at Dyke Rd.

Fleet and Equipment Strategy

The fleet and equipment strategy encompasses fire appliances (approximately three each year), aerial appliances, ancillary vehicles and the light fleet. The Authority has a rolling programme of replacing its vehicle fleet in line with its agreed lifing policy. The replacement cycle for core fleet is set at 14 years for operational appliances, 15 years for specials and 9 years for light fleet.

The capital replacement program has reduced in volume to 31 appliances this financial year as it has been agreed that it is not necessary for spare appliances* to have a replacement cycle and be maintained through life extension. This presents an efficiency overall for capital purchasing which can be invested elsewhere

**spare fleet is required to cover planned maintenance and provide operational continuity during breakdowns or failures*

Since the introduction of a Vehicle Build Officer, all planned procurement activities are in flight for this financial year aside from two, which have taken a strategic pause as the organisation need to assess design, function, operational requirements in line with utilisation and community risk profile.

The worldwide supply chain disruption has eased for HGV chassis from 12 months to 10 months on average however, for light fleet and vans the lead times have increased considerably to a state comparable with delays experienced during COVID (one unit has been on order for 18 months), which has impacted significantly on the delivery of the Fleet & Equipment Strategy. Market engagement has suggested that manufacturing capacity is being redirected from fossil fuelled vehicles in favour of electric vehicles, with some manufacturers cancelling orders or removing diesel vehicles from their offering entirely in a bid to meet their own carbon reduction agendas.

If the current trajectory of continues at the same rate, there is a risk that disruption to the replacement program will increase significantly. To mitigate disruption, the Authority will be entering a research and development phase for the suitability of PHEV (plug-in hybrid electric vehicles) in early 2025. Early exploration has returned that as the technology is well developed and wide-spread, these low-emission vehicles could be a solution met within the current budget.

The Authority has taken on a number of national resilience assets and receives a New Burdens grant for their maintenance. Future requirements for these assets which reached end of life in 2022/23 is being reviewed nationally by the NFCC and the Home Office. Once the outcome of the review is known and the Government confirms funding for new assets a review of local need for any assets where replacement is not funded by Government will be carried out.

Equipment replacement is funded through our revenue budget; to which a major review of equipment life has been undertaken which has led to some equipment lifing, such as ladders being extended to 18 years based on advice from the manufacturer. In resetting replacement profiles for major operational equipment types this has allowed for a revenue replacement program to be developed which ensures that planned purchases a spread across multiple years, and identifying separate budgets

for consumables and highly wearable items. The strategic intent is to maintain a 5 year forecast for operational equipment.

A scheme for replacement of our existing Breathing Apparatus and ancillary equipment is included to the value of £1m over 2025/26 and 2026/27. This is being managed as a joint project through the 4F group (East & West Sussex, Surrey and Kent FRS (Fire and Rescue Service)).

Detailed strategies for Estates, and Fleet and Equipment are available as separate documents.

IT

The majority of the Authority's investment in its IT Strategy is funded through revenue. However, two major projects are included in the Capital Programme:

- ITG Flexi Cloud – covers the planned move from our current flexi cloud environment to cloud based services following the re-procurement of our outsourced IT service delivery contract
- JFC Vision Replacement – as part of the Joint Fire Control Roadmap Surrey FRS will lead a project replace the existing Vision mobilising system with costs shared across the three partner services.

Funding

The Capital Strategy is funded from a number of sources which are described below. In order to ensure the Strategy is sustainable and affordable we aim to maximise external funding, where it is available, so as to reduce the pressure on our own resources. This is becoming increasingly important in the light both of pressures on our revenue budget and the absence of general capital grant from central government.

- Capital Grant

General capital grant allocations from central government for fire authorities ended in 2014/15 and grant funding thereafter is on a wholly bid-for basis. The Authority has not submitted any bids for the duration of this Strategy. However, an existing allocation of £1.5m from the Fire Transformation Grant (ITF Project) will be applied to the Engineering Workshop project. The Authority has been successful in a bid for CIL grant funding from Lewes District Council to cover 50% of the cost of Design Guide works at Barcombe and Seaford Fire Stations.

- Partner Contributions

The Authority is engaged in collaborative working with other public sector partners, particularly other emergency services. This includes capital projects, and where the Authority is lead body for a scheme this may lead to partners making contributions towards the capital costs.

- Capital Receipts

Receipts from the disposal of existing capital assets may only be used to fund expenditure on new capital assets.

Historic capital receipts from the sale of service houses and 20 Upperton Road have been used to fund the Capital Strategy. The disposal of Mayfield Fire Station is expected to realise a capital receipt of £1.050m in 2026/27. With no further property assets identified as surplus, capital receipts are likely to be small amounts for the sale of appliances. It is the Authority's current policy to use capital receipts to fund the capital programme before using the Capital Programme Reserve (which is a revenue reserve).

- Revenue Contributions

The Authority can make revenue contributions to the cost of its capital expenditure either direct from its revenue budget or from reserves earmarked for capital schemes. As of 31 March 2025, the balance of the Capital Programme Reserve (CPR) will be nil. The Authority takes the opportunity to set aside additional funding from its revenue budget to help fund the costs of the Capital Programme when it can, in the absence of Government grant. An additional contribution is planned of £2.0m 2025/26 onwards, increasing to £3.0m by 2027/28.

- Community Infrastructure Levy (CIL)

The Service has been successful in its bid for Community Infrastructure Levy (CIL) funding from Lewes District Council. £289,000 has been awarded which will part fund the planned enhancements at Barcombe and Seaford Fire Stations, reducing the need for future borrowing.

- Prudential Borrowing

The Authority can use prudential borrowing to fund capital expenditure spreading the cost over the life of the asset. Overall, our total borrowing must be sustainable and affordable. Borrowing commits the Authority to a long term cost which has implications for our revenue budget. Broadly speaking, every £1m of additional borrowing would add £90,000 - £100,000 of financing costs to the Authority's revenue budget. As capital related reserves are spent down to fund the Capital Strategy, the Authority will need to recommence borrowing to fund capital investment. The borrowing needed to finance the Capital Asset Strategy over the next five years is £12.288m and this has been fed into the MTFP and our future borrowing costs.

MEDIUM TERM CAPITAL STRATEGY 2024/25 to 2029/30 – SCHEMES

Capital Programme Expenditure 2023-24 to 2028-29	Total Budget	Total Previous Years	Estimated Spend 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Remaining Spend
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property									
Shared Investment Schemes									
Roedean Betterment	25	22	3						3
Bohemia Road Betterment	95	39	56						56
Fort Road - Engineering Workshop	2,836	159	995	1,682					2,677
External Funding - ITF Grants	(1,500)		(995)	(505)					(1,500)
Preston Circus	4,766	1,539	3,227						3,227
Total Shared Investment Schemes	6,222	1,759	3,286	1,177	-	-	-	-	4,463
Strategic Schemes									
- Replacement Fuel Tanks	492	477	15						15
- Partner contribution	(292)	(292)							-
- Replacement fuel tanks net cost	200	185	15	-	-	-	-		15
Design Guide	355	355							-
Hove	559	549	10						10
Roedean	862	55	-	807					807
Eastbourne	961	101	460	400					860
Bohemia Road	982	76	906						906
Security	386	182	204						204
Sustainability	97	22	75						75
MPTH	399	399							-
Eastbourne MPTH	260	40	30	190	-				220
Training Centre MPTH	308	52		256	-				256
Hove MPTH	278	42	30	206	-				236
Bohemia Road MPTH	489	45	397	47	-				444
Live Fire Training	4,000	57	-	1,063	2,880				3,943
Total Strategic Schemes	10,136	2,160	2,127	2,969	2,880	-	-	-	7,976
General Schemes	832	832	-						-
Phase 1 General Costs	30	30							-
Seaford CIL	296	3	7	286	-	-			293
Seaford CIL partner Contribution	(133)			(133)		0			133
Barcombe CIL	392	5		387	-				387
Barcombe CIL Partner Contribution	(156)			(156)	0				156
Fire Compartmentation	500			100	200	200			500
The Ridge	950				950	-	-		950
Hailsham	69	19			-	-	50		50
Rye	250	47	3		-	200	-		203
Battle	451	1					450		450
Heathfield	569	19				50		500	550
Uckfield	208	8				200	-		200
Lewes	286	6	80		-	200			280
Maresfield	535		-	-	535	-			535
Seaford HVP Alterations	94	94							-
Bexhill	50						50		50
Herstmonceux	450						50	400	450
Pevensey	450			70			-	380	450
Forest Row	50						50	-	50
Broad Oak	50						50	-	50
Burwash	50						50	-	50
Crowborough	50						50		50
Newhaven	30						30		30
Wadhurst	50						50		50
Total General Schemes	6,403	1,064	90	554	1,685	850	880	1,280	5,339
Bay Doors, Floors, IT	1265	64	80	300	300	300	121	100	1,201
Training Towers	189	1			38	50	50	50	188
Total Property	24,215	5,048	5,583	5,000	4,903	1,200	1,051	1,430	19,167
Vehicle Cameras	136	136							-
Grant Funds	(136)	(136)							-
Breathing Apparatus	1000			500	500				1,000
Breathing Apparatus Washing Machines	85		39	46					85
Aerials	1865	1,292	573						573
Aerial Rescue Pump	22	22							-
Fire Appliances	8250	4,716	904	887	621	1,122			3,534
Ancillary Vehicles	2772	1,230	329	1,193		20			1,542
Cars	2506	897		77	327	532	313	360	1,609
Vans	2531	1,030	496		177	202	218	408	1,501
Equipment	35	30	5						5
Total Fleet and Equipment	19,066	9,217	2,346	2,703	1,625	1,876	531	768	9,849
JFC Vision Replacement				600	700	700			2,000
ITG Flexi Cloud				1,250	1,250				2,500
Total Expenditure	43,281	14,265	7,929	9,553	8,478	3,776	1,582	2,198	33,516

MEDIUM TERM CAPITAL STRATEGY 2025/26 to 2029/30 – FUNDING

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Total Joint Fire Control	600	700	700			2,000
Total ITG	1,250	1,250				2,500
Total Estates	5,000	4,903	1,200	1,051	1,430	13,584
Total Engineering	2,703	1,625	1,876	531	768	7,503
	9,553	8,478	3,776	1,582	2,198	25,587
	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Funded by:						
Capital Receipts		1,050				1,050
Capital Programme Reserve	2,000	2,500	3,000	1,582	2,198	11,280
Business Rates Pool Reserve	500	469	-	-	-	969
New Borrowing / Need to Borrow	7,053	4,459	776	-	-	12,288
	9,553	8,478	3,776	1,582	2,198	25,587

RESERVE STRATEGY

Introduction and Background

Section 43 of the Local Government Finance Act 1992 requires that, when setting the budget for the forthcoming year, precepting authorities should have regard to the level of reserves needed to provide sufficient resources to finance estimated future expenditure, plus any appropriate allowances that should be made for contingencies.

Best practice on the use and management of reserves and balances is provided by CIPFA Bulletin 13 – Local Authority Reserves and Balances which was issued in March 2023 and replaces the Local Authority Accounting Panel (LAAP) Bulletin 99 - 'Local Authority Reserves and Balances'.

In May 2018, the Government published the New Fire and Rescue Services Framework which introduced a requirement for Combined Fire and Rescue Authorities to publish a Reserve Strategy on their website and outlined the detail which should be included. The Reserves Strategy can form part of the Medium Term Financial Plan or be a stand-alone document.

In reviewing medium-term financial plans and preparing annual budgets, the Authority will consider the establishment and maintenance of reserves for the general fund. There is no statutory minimum or maximum level of reserves. The nature and level of reserves will be determined formally by the Authority, informed by the judgement and advice of the Assistant Director Resources/Treasurer. This will be based on an assessment of what is adequate and necessary in the light of the circumstances facing the Authority.

Strategic Context

There are a number of reasons why a Local Authority might hold reserves, these include to:

- (a) Mitigate potential future risks such as increased demand and costs;
- (b) Help absorb the costs of future liabilities;
- (c) Temporarily plug a funding gap should resources be reduced suddenly;
- (d) Enable the Authority to resource one-off policy developments and initiatives without causing an unduly disruptive impact on council tax;
- (e) Spread the cost of large scale projects which span a number of years.

Reserves only provide one-off funding, so the Authority aims to avoid using reserves to meet regular and ongoing financial commitments, other than as part of a sustainable medium-term budget plan.

Long-Term Sustainability - Reserves are an essential tool to ensure long term budget stability particularly at a time when the Authority is facing significant uncertainty about its grant funding over the medium term. Planned investment in Capital Projects and the IT Strategy has led to a significant reduction in the level of Earmarked Reserves held by the Authority.

Reserve balances have been identified as a key indicator of financial health and the Authority continues to have an appropriate level of reserves to deal with identified risks. As a minimum, there are sufficient balances to support the budget requirements and provide an adequate contingency for budget risks.

There are two different types of reserve, and these are:

Earmarked Reserves – these reserves are held to fund a specific purpose and can only be used to fund spending associated with that specific purpose. Should it transpire that not all of the agreed funds are required then the agreement of the Authority would be sought to decide how any remaining balance is to be utilised.

General Reserve – usage from this Reserve is non-specific and is held to fund any unforeseen spending that had not been included in the base budget e.g. excessive operational activity resulting in significant retained pay costs.

Provisions

In addition to reserves the Authority may also hold provisions which can be defined as follows: a Provision is held to provide funding for a liability or loss that is known with some certainty will occur in the future, but the timing and amount is less certain.

Unusable Reserves

The Authority will also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, will be specified in the annual Statement of Accounts.

Governance

The Authority will agree the level of General Reserves and the purpose and level of Earmarked Reserves.

Business cases for the establishment of new Earmarked Reserves will be subject to initial consideration by the Senior Leadership Team.

The Assistant Director Resources/Treasurer shall advise SLT and the Authority on the adequacy of both General and Earmarked Reserves, approve any drawdown from reserves and will monitor and report upon their use through regular financial monitoring reports.

Risk Assessment to Determine the Adequacy of the General Reserve

A well-managed multipurpose authority will strive to maintain as low a level of General Reserve as possible, whilst still covering its financial risks. As a single-purpose authority, the Authority has no opportunity to use cross-service subsidies to meet unanticipated expenditure and so, proportionally, its General Reserve may be slightly higher than for a multi-purpose authority.

The Authority has a robust approach to managing risk and there are effective arrangements for financial control in place. That said, given the high level of influence that third parties, such as the Local Government Employers and Government departments have on its income and expenditure, there is always a risk that the Authority will unexpectedly become liable for expenditure that it has not budgeted for.

The Authority currently sets its policy for the General Reserve at a minimum of 5% of its net revenue budget. The detailed risk assessment is attached at Annexe A and indicates that the overall assessed risk has not changed since last year. Given that not all assessed risks are likely to crystallise in a single year it is deemed appropriate to maintain the minimum level of 5%. Capital Reserves are used to support the financing of the Capital Asset Strategy and will be exhausted by the end of 2024/25.

At the start of 2025/26, the General Reserve is forecast to represent 5.49% of the Authority's net revenue budget which is a positive variance. Due to varying revenue budgets, maintaining a consistent level of General Reserve will result in the percentage varying over time. Transfers in or out of the General Reserve to conform to the 5% indicator will be considered annually as part of the budget setting process.

The prudential indicator is a useful control measure but is a rudimentary way of assessing the adequacy of the general reserve and a more meaningful approach is to develop a risk assessment. The Authority will consider both measures as part of its annual reserve strategy.

A risk assessment of the adequacy of the Authority's General Reserve is carried out annually to determine the extent to which the Authority is exposed to uninsured and unbudgeted losses. The risk assessment for the coming financial year, 2025/26, has been prepared as part of the budget setting process and is shown in Annexe A. The impact and scale of potential losses has been estimated to calculate a potential net financial impact of £2.488m. The current policy minimum of 5% equates to £2.500m. A drawdown of £0.512m is expected to balance the budget in 2025/26 and planned increases of £0.200m in 2026/27 and 2027/28 will return the reserve to the 5% minimum. Additional drawdown of £0.547m is required under 2.99% version with top ups totalling £1.040m planned to return the balance to the policy minimum by 2029/30.

Annual Review of Earmarked Reserves

The Authority has a number of earmarked reserves which have been established for specific purposes where there have been timing differences at budget setting or year end, or emerging risks or cost pressures. The relevance of, and balance in, each of these is reviewed annually and the Authority is informed of the latest plans for the balances held in such reserves over the medium term via the Reserves Strategy. When the Authority endorses the Reserves Strategy for publication it will be made available on its website.

A commentary on the purpose and planned use of each of the existing earmarked reserves is detailed below and a full listing together with phasing of drawdown is set out in Annexe B:

- **Business Rate Pool:** This reserve holds the balance of income from the East Sussex Business Rate Pool which is to be used to fund Business Safety initiatives, in support of the Pool's aim to promote economic growth. The Pool has been utilised to support investment in the Authority's protection (business safety) services. The Pool will be used, in future, to support the capital programme and reduce future borrowing need and this is included within this report and the MTFP. Income from the Pool is accrued in the year in which it is due but is not received until the following year, once the relevant accounts have been audited.

- **Financial Stability:** this reflects the balance of the financial stability portion of the Business Rates Pilot and is used to assist the Authority in managing fluctuations in key income streams. The balance of this reserve will be used to balance the revenue budget in 2025/26.
- **ESMCP Readiness:** this grant funding from central government is ring-fenced to fund the IT upgrades to mobilising systems that are required as part of the Emergency Services Mobile Communications Project (ESMCP). The timing of drawdown is dependent on national programme timescales (which have been significantly delayed). Further discussion with the Home Office will be required to determine use of the grant as it was originally intended in part to fund improvements jointly for East and West Sussex through our joint control service which ended 4 December 2019. We understand the Home Office will clawback this funding during the first quarter of 2025/26.
- **ESMCP Regional Programme:** the Authority acts as regional lead for ESCMP implementation and holds grant funding for regional and local resourcing on behalf partner FRAs. The actual drawdown is dependent on regional business cases made to the Home Office. We understand the Home Office will clawback this funding during the first quarter of 2025.
- **Improvement & Efficiency:** This reserve is to enable the Authority to develop its collaborative approach to service delivery, support changes to services that will deliver efficiencies and respond to priority areas for service improvement. Planned top ups of the reserve have been removed as part of savings proposals for 2025/26.
- **Insurance:** The Authority has joined the Fire and Rescue Indemnity Company (FRIC) from 1 April 2019 to both improve its risk management practice and provide insurance cover. This reserve is intended to cover the financial costs of: in-year supplementary payments to the FRIC pool should these be necessary; additional costs from the increase in some deductibles; and, investment in pro-active risk management initiatives resulting from best practice benchmarking through FRIC.
- **IT Strategy:** The Authority has set aside funds to support the delivery of its IT Strategy. A Revenue contribution is made into this reserve each year, excepting 2025/26. Future contributions will be reviewed alongside the development of the new IT Strategy in 2025/26.
- **Mobilising Strategy Reserve:** to facilitate to delivery of the Authority's mobilising strategy – this reserve holds funding set aside to support the Authority's share of future investment in the Joint Fire Control Roadmap currently £50,000 pa, rising to £75,000 pa from 2025/26.
- **People Strategy:** this Reserve is utilised to hold funds for the implementation of the People Strategy 2020-25. Where projects within the Strategy that are funded from the revenue budget slip or underspend, any unutilised balances will be held in this reserve.

- **BRR – Protection Uplift:** this Reserve holds the balance of grant received from Government for investment in protection services as a result of the Moore Bick and Hackett inquiries.
- **BRR - Accreditation & RPL:** this Reserve holds the balance of the grant received to support accreditation and recognition of prior learning related to training for protection.
- **New Dimensions:** holds the balance of grant funding for national resilience assets, primarily used for training and the unspent balance of grant funding for Marauding Terrorist Attack primarily for training and replacement of equipment.
- **Pension Administration:** this is funding set aside from the revenue budget to fund some of the one-off costs of implementing the Remedy to the discrimination case brought against the Firefighter Pension Scheme and the Second Options Exercise for On Call Firefighters, including software costs, administrative costs and other costs not funded by the Pension Fund Account or Government. It is planned to be used during 2025/26 to provide additional capacity within the Payroll & Pensions Team to resource the additional workload associated with implementing the Remedy process.
- **Carry Forwards:** comprises the balance of the revenue budget underspends from previous financial years which it has been agreed to carry forward to fund specific expenditure. The balance of this reserve will be used in 2025/26.
- **Cadets:** holds donations made to support the costs of the Authority's Cadet Scheme.
- **Youth Engagement:** holds the balance of Immediate Justice grant funding received through Sussex Police
- **Future Foundation:** funding for the Future Foundations review of the Authority's support service structures and ways of working, including any costs of implementation.
- **Direct Entrant:** holds the balance of funding received via the NFCC from the Home Office to fund the training costs of the pilot Direct Entry scheme.
- **BSR Training:** holds the balance of funding received to fund training costs for nationally funded Building Safety roles.
- **Capital Programme:** To support the provision of the capital infrastructure required to deliver the Authority's strategic priorities. There has been no core capital grant from Government since 2014/15 so the Authority must fund its own investment in capital assets. £2.0m is paid into this reserve from the Authority's revenue budget in 2025/26. The MTFP proposes to increase the payment into the Capital Programme Reserve in stages of £0.5m to £3.0m by 2027/28. This is part of a strategy to achieve greater financial sustainability by revenue funding the replacement and maintenance of existing assets and seeking only to borrow where a new capital asset is proposed.

- **Capital Receipts:** Capital receipts not yet applied to capital expenditure. Under statute capital receipts may only be used to finance capital expenditure. The disposal of Mayfield Fire Station is expected to realise a capital receipt of £1.050m in 2026/27. With no further property assets identified as surplus, capital receipts are likely to be small amounts for the sale of appliances where the sale proceeds exceed £10,000. The reserve is expected to be fully spent at the end of 2024/25.

Annexe A – Risk Assessment of the Adequacy of General Reserves

Risk type	RISK	Likelihood	Impact	Net Impact
			£m	£m
Abnormal weather conditions	A long hot summer, flooding in autumn and winter and heath land fires in the spring have all occurred in previous years resulting in excessively high operational costs (retained pay, overtime) and other support costs. In worst-case scenarios for civil emergencies, the Bellwin Scheme funding is available to support qualifying expenditure in excess of 2% of Revenue Budget	Medium	0.300	0.150
Pension Costs	With an ageing workforce and the increase in the normal retirement age the risk of ill health retirements is increasing and may exceed the existing budget provision.	Medium	0.100	0.050
External contracts	The Authority has a wide range of contractual arrangements which could see a financial loss in the event of the bankruptcy of a supplier or a customer. Based on aged debtor analysis the Authority does not currently hold a bad debt provision to fund a loss from a major contract. Additionally, Public Sector procurement processes and contracts are coming under increasing scrutiny and could be open to legal challenge.	Low	0.500	0.125
Capital Programme / Projects	The Authority has a range of both revenue and capital projects planned for the next five years - there is the risk of cost overruns for a variety of reasons e.g. unforeseen ground conditions, planning approvals, technology risk, supply chain disruption.	Medium	1.000	0.500

Risk type	RISK	Likelihood	Impact	Net Impact
			£m	£m
Loss of income	Income targets are set within the budget for a number of functions, for example commercial and service training, and the Authority also receives income from the investment of its cash balances where rates achieved remain low. Amounts invested will reduce significantly over the next few years. Although the amounts involved are small relative to the overall budget they continue to present a risk in year	Low	0.250	0.063
Delivery of savings	The Authority is developing its savings plans for the next 5 years and has already agreed a range of measures for implementation. However, it is possible that implementation may take longer than anticipated or savings may be less than originally estimated, leading to an in-year budget pressure.	Low	0.500	0.125
Legal Issues	As a service provider and an employer, the Authority faces the potential that legal action could be taken against it on a range of grounds, including equal pay, discrimination, unfair dismissal and corporate negligence / manslaughter. Awards and legal costs in such cases can be significant	Low	1.000	0.250
Service delivery failure	Given the nature of the work of the Authority there is a possibility that it could suffer a major health and safety or environmental failure.	Low	1.000	0.250
System/ Infrastructure Issues	In the event that a key system, such as the control mobilising system or system networks, were to fail, it is possible that urgent consultancy or replacement equipment would be required within short time constraints.	Low	0.500	0.125

Risk type	RISK	Likelihood	Impact	Net Impact
			£m	£m
Funding Issues	The changes to the funding mechanism for local government, introduced following the Local Government Resource Review, transferred potentially significant levels of financial risk to the Authority.	Medium	0.500	0.250
Inflation	Whilst allowances for inflation have been made within specific budget lines, the uncertainty surrounding the UK and global economy might lead to increased inflation.	Medium	0.200	0.100
Employment Issues	Issues that might arise in respect of pay settlements or other factors which might lead to industrial action would, in the first instance, be managed within the revenue budget. Prolonged Action or issues would require funding from Reserves. This risk also addresses the potential for actual pay awards to be higher than that budgeted.	Medium	1.000	0.500
Estimated Reserve Requirement	2.488			

The planned movement on each of the earmarked reserves is shown in the following table:

Description	2025/26 Opening Balance 01/04/25 £'000	2025/26 Planned Transfers In £'000	2025/26 Planned Transfers Out £'000	Projected Closing Balance 31/03/26 £'000	Projected Closing Balance 31/03/27 £'000	Projected Closing Balance 31/03/28 £'000	Projected Closing Balance 31/03/29 £'000	Projected Closing Balance 31/03/30 £'000
Earmarked Reserves								
Improvement & Efficiency	91	0	(91)	0	0	0	0	0
Insurance	258	0	0	258	258	258	258	258
ESMCP ESFRS readiness	0	0	0	0	0	0	0	0
ESMCP Regional Programme	0	0	0	0	0	0	0	0
BRR – Accreditation & RPL	21	0	(21)	0	0	0	0	0
BRR - Protection Uplift	23	0	(23)	0	0	0	0	0
Financial Sustainability	16	0	(16)	0	0	0	0	0
New Dimensions	77	0	(77)	0	0	0	0	0
IT Strategy	2,100	0	(2,100)	0	0	0	0	0
People Strategy	183	0	(183)	0	0	0	0	0
Business Rate Pool	569	400	(500)	469	0	0	0	0
Carry Forwards	170	0	(170)	0	0	0	0	0
Pensions Administration	104	0	(104)	0	0	0	0	0
Mobilising Strategy	71	75	(141)	5	11	14	0	0
Cadets	30	0	(30)	0	0	0	0	0
Future Foundations	34	0	(34)	0	0	0	0	0
Youth Engagement	20	0	(20)	0	0	0	0	0

Direct Entrant	8	0	(8)	0	0	0	0	0
BSR Training	69	0	(69)	0	0	0	0	0
Capital Programme Reserve	0	2,000	(2,000)	0	0	0	1,418	2,220
Total Earmarked Reserves	3,844	2,475	(5,587)	732	269	272	1,676	2,478
General Fund	2,792	0	(512)	2,280	2,480	2,680	2,750	2,820
Total Revenue Reserves	6,636	2,475	(6,034)	3,012	2,749	2,952	4,426	5,298
Capital Receipts Reserve	0	0	0	0	0	0	0	0
Total Capital Reserves	0	0	0	0	0	0	0	0
Total Usable Reserves	6,636	2,475	(6,034)	3,012	2,749	2,952	4,426	5,298

Under the 2.99% model a further £547k would be drawdown from the general fund in 2025/26 followed by top ups totalling £1.040m over the four remaining years to 2029/30 resulting in a general fund balance of £2.789m in 2029/30

EAST SUSSEX FIRE AUTHORITY: PRECEPT FOR 2025/26
REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992

£5 COUNCIL TAX INCREASE

	£	£
NET BUDGET REQUIREMENT		50,868,000
Forecast Business Rates retained	2,510,000	
Top Up grant	5,663,000	
Business Rates Baseline	8,173,000	
Add Revenue Support Grant	5,741,000	
Settlement Funding Assessment	13,914,000	
Section 31 Grant Business Rates adjustment	2,461,000	
Previous Year's Surpluses/(Deficits)	21,000	
Total Council Tax required		34,472,000
Tax base	306,443	
Basic Council Tax (Band D equivalent)		112.49
Basic Council Tax from above calculation		<u>Council Tax</u>
Band A	6/9	74.99
Band B	7/9	87.49
Band C	8/9	99.99
Band D	9/9	112.49
Band E	11/9	137.49
Band F	13/9	162.49
Band G	15/9	187.48
Band H	18/9	224.98
	<u>Tax Base</u>	<u>Precept</u>
Brighton and Hove	95,160.30	10,704,582
Eastbourne	36,019.80	4,051,867
Hastings	27,273.20	3,067,962
Lewes	38,954.80	4,382,025
Rother	39,685.90	4,464,267
Wealden	69,349.70	7,801,035
	306,442.70	34,471,738

EAST SUSSEX FIRE AUTHORITY: PRECEPT FOR 2025/26
REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992

2.99% COUNCIL TAX INCREASE

	£	£
NET BUDGET REQUIREMENT		50,319,000
Forecast Business Rates retained	2,510,000	
Top Up grant	5,663,000	
Business Rates Baseline	8,173,000	
Add Revenue Support Grant	5,741,000	
Settlement Funding Assessment	13,914,000	
Section 31 Grant Business Rates adjustment	2,461,000	
Previous Year's Surpluses/(Deficits)	21,000	
Total Council Tax required		33,923,000
Tax base	306,443	
Basic Council Tax (Band D equivalent)		110.70
Basic Council Tax from above calculation		<u>Council Tax</u>
Band A	6/9	73.80
Band B	7/9	86.10
Band C	8/9	98.40
Band D	9/9	110.70
Band E	11/9	135.30
Band F	13/9	159.90
Band G	15/9	184.50
Band H	18/9	221.40
	<u>Tax Base</u>	<u>Precept</u>
Brighton and Hove	95,160.30	10,534,245
Eastbourne	36,019.80	3,987,391
Hastings	27,273.20	3,019,143
Lewes	38,954.80	4,312,296
Rother	39,685.90	4,393,229
Wealden	69,349.70	7,676,901
	306,442.70	33,923,207

FUNDED STAFFING ESTABLISHMENT

	FTE @ 1/4/2025	FTE @ 1/4/2026
Principal Officers	3	3
Wholetime	325	325
Firefighter		
RDS firefighter Units	176	176
Control Room Staff	3	3
Support staff	157.28	157.28

*Establishment changes as a result of Future Foundations are not reflected in the table above

Local Government Financial Settlement (provisional) Core Spending Power of Standalone Fire Authorities

	2024/25	2025/26	Increase
	£m	£m	%
Avon	56.8	58.6	3.1
Bedfordshire	39.1	40.4	3.3
Berkshire	45.6	47.2	3.5
Buckinghamshire	37.4	39	4.2
Cambridgeshire	38.5	40	4.0
Cheshire	55.9	57.7	3.2
Cleveland	34.9	35.9	2.7
Cumbria	29.7	30	1.0
Derbyshire	49.1	50.7	3.3
Devon & Somerset	98.2	100.1	1.9
Dorset & Wiltshire	72.5	74.4	2.6
Durham	37.1	37.9	2.2
East Sussex	49.3	50.2	1.8
Essex	92.2	95.1	3.2
Hampshire & Isle of Wight	96.3	99.2	3.0
Hereford & Worcester	40.7	41.5	1.8
Humberside	57	58.6	2.8
Kent	92.6	95.6	3.2
Lancashire	74.1	76.4	3.2
Leicestershire	47.5	49.2	3.5
Merseyside	79.1	81.2	2.6
North Yorkshire	40.3	41	1.6
Northamptonshire	31	32.1	3.6
Nottinghamshire	54.8	56.4	3.0
Shropshire	28.7	29.2	1.7
South Yorkshire	65.9	67.7	2.8
Staffordshire	52.6	54.1	3.0
Tyne & Wear	63.1	64.6	2.4
West Midlands	130.4	134.4	3.1
West Yorkshire	108.7	111.9	3.0
	1799.1	1850.3	2.8

Equality Impact Analysis (EIA) Form

This form should be completed in conjunction with How to Complete an Equality Impact Analysis (14_04b)

Name of Policy, Procedure, Activity or Decision (PPAD):	Fire Authority Service Planning processes for 2024/25 and beyond – Revenue Budget 2025/26 and Capital Strategy 2025/26 to 2029/30		Date of Analysis:	24-01-2025
PPAD Owner:	Assistant Director Resources / Treasurer		EIA Author:	Assistant Director Resources / Treasurer
Directorate Lead and Department:	Finance Manager – Resources Directorate			
Status of PPAD: (‘X’ as appropriate)	New	X	Existing	
Please list any other policies that are related to or referred to as part of this analysis	All budget decisions including revenue and capital projects requiring business cases or other approvals			
Please list the groups of people potentially affected by this proposal. (e.g. applicants, employees, customers, service users, members of the public)	All stakeholders, employees, service users, communities of East Sussex and Brighton & Hove			
What are the aims and intended effects of this proposal (PPAD)?				
To set a balanced revenue budget for 2025/26, agree the Capital Asset Strategy and Capital Programme for 2025/26 to 2028/29, agree the Reserves and Balances Strategy, agree the Authority’s Medium Term Finance Plan for 2025/26 to 2029/30, achieve financial sustainability over the medium term.				

Stage 1: Equality Impact Quick Checker

Consider the initial impacts of your PPAD on people below to determine whether a full Equality Impact Analysis is required. Consider impact both as an employer and in service delivery.

Does this PPAD have any impact on the following Protected characteristics?	Will impact	Could impact	Won't impact	Commentary for initial conclusions (identify any positive, neutral, and negative impacts):
Age	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs. No other proposals are assessed as impacting this group at this stage.
Disability	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs.
Gender Reassignment	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs. No other proposals are assessed as impacting this group at this stage.
Marriage and Civil Partnership (employment only)	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs. No other proposals are assessed as impacting this group at this stage.
Pregnancy and Maternity	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs. No other proposals are assessed as impacting this group at this stage.
Race	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs.

				No other proposals are assessed as impacting this group at this stage.
Religion or Belief	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs. No other proposals are assessed as impacting this group at this stage.
Sex	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs. No other proposals are assessed as impacting this group at this stage.
Sexual Orientation	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs. No other proposals are assessed as impacting this group at this stage.
Other Equality related issues (e.g. socioeconomic)	☐	☐	X	All budget proposals have been assessed by SLT. All proposals linked to strategies, policies and projects will be subject to specific EIAs. No other proposals are assessed as impacting this group at this stage.

If you identified '**Will impact**' or '**Could impact**' for any Protected Characteristic, go to Stage 2 to conduct a full Equality Impact Analysis.

If you identified '**Won't impact**' for all Protected Characteristics, provide your summary rationale for this below and submit this form for record on the 'Equality Impact Analysis' Intranet page:

All budget proposals have been assessed by SLT.

All proposals linked to strategies, policies and projects will be subject to specific EIAs.

All savings proposals to balance the budget beyond 2025/26 will be subject to separate EIAs.

No other proposals are assessed as impacting any of the protected characteristics at this stage.