# Cumbria Commissioner Fire and Rescue Authority

## Public Accountability Conference

| TITLE: | **Cumbria Commissioner Fire and Rescue Authority (CCFRA):**<br><br>**Budget 2025/26, Proposed Precept Level and Financial Forecasts 2025/26 to 2029/30** |
|---|---|

| DATE OF MEETING: | **13 February 2025** |
|---|---|
| REPORT OF: | **The Chief Finance Officer** |
| REPORT ITEM: | **9a** |


**Executive Summary:**

The attached report provides the draft budget and Medium-Term Financial Forecasts for the period 2025/26 to 2029/30 along with the proposed level of Council Tax precept for 2025/26.


**Recommendations:**

The Commissioner is **RECOMMENDED** to:

a. Approve the revenue and capital budgets outlined in this report, having regard to the Statutory report of the Chief Finance Officer outlined in Appendix A.

b. Set the budget requirement for 2025/26 on the basis of the amount included within the Budget Resolution at Appendix B.

c. Approve the Council Tax for a Band D property at **£98.19** for 2025/26, an increase of £4.95 (5.31%).

d. Approve the Reserves Strategy outlined in paragraph 5 of Section 2.

# Section 1 - Precept, Budget Proposals and Summary Capital Programme 2025/26 – 2029/30

## 1.0 Executive Summary

1.1. This report considers the base estimates for 2024/25 together with the estimates for 2025/26. The report also sets out any known revisions to the Medium-Term Financial Plan (MTFP) projections.

1.2. The base estimates have been prepared in accordance with the guiding principles for the formulation of the budget over the next five-year planning period as set out in the following Policy documents:

- Medium Term Financial Plan
- Capital Investment Strategy

1.3. The Service has made progress in building up its unallocated general fund reserves since disaggregation, but they still remain below minimum levels as of 1 April 2024, and ***this budget and MTFP is predicated on trying to increase those minimum levels of reserve to a sustainable and resilient level, whilst maintaining service investment and delivery.*** Further information on reserves is given at Section 10.

1.4. Decisions have been made to ensure budget increases are affordable and directed at unavoidable and high priority issues, together with maximising savings and efficiencies, so that contributions can be made to reserves to increase the financial resilience of the Service, and that they also complement the requirements of the Community Risk Management Plan (CRMP) to enable a balanced budget position to be recommended to the Commissioner.

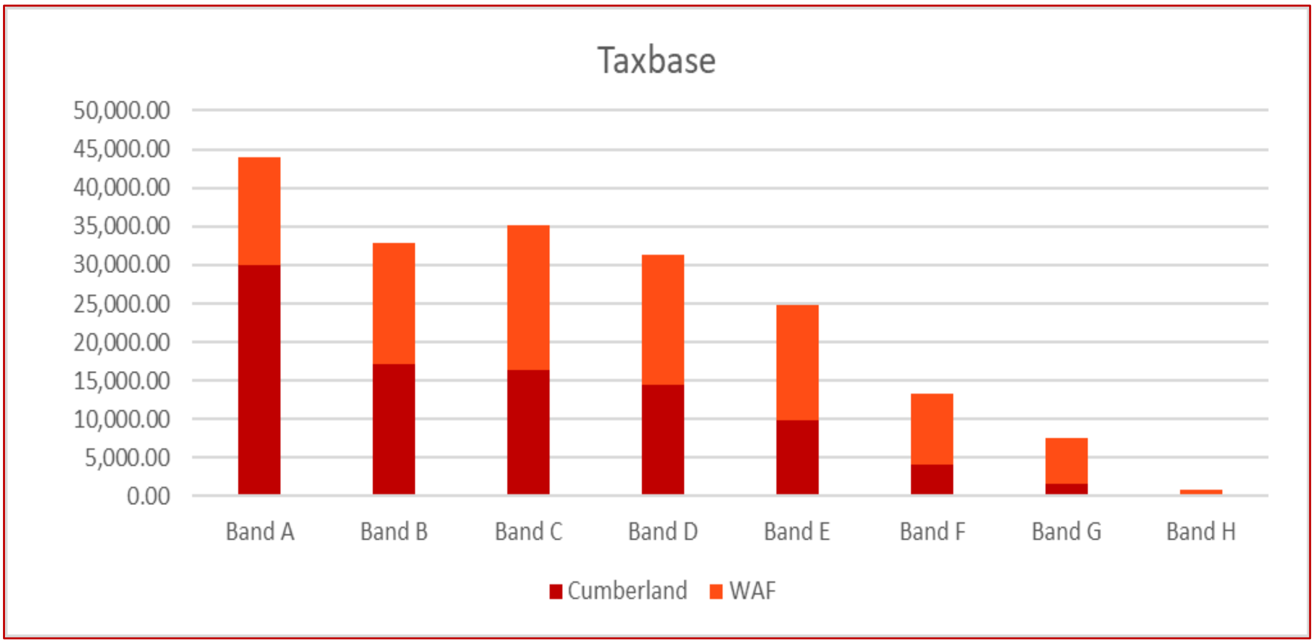
## 2.0 Resource Assumptions

2.1 The current resource projections assume:

- A 5.31% (£4.95) (Band D equivalent) Council Tax increase for 2025/26 (subject to public consultation) with a £5 per year increase from 2026/27 onwards.
- A nil Council Tax surplus/deficit for 2026/27 to 2029/30.
- For 2025/26, surpluses have been declared by the two unitary Council's with the shares applicable to Fire being:
  - £28,721 surplus for Westmorland and Furness Council
  - £37,998 surplus for Cumberland Council
- Retained business rates for 2025/26 reflect the amounts shown in the Local Government Finance Settlement for 2024/25 and will need updating once the LGFS is announced for 2025/26. The calculation of the Business Rates surplus/deficit will also need to be taken into consideration. Figures are still to be provided by the unitary councils for this.
- An assumed tax base of 189,857.46 for 2025/26. The assumed taxbase is an increase of 5.76% from 2024/25 and is primarily as a result of additional council tax levies on 2$^{nd}$ homes.

| Council Tax Income 2025/26 | Tax Base |
|---|---|
| Cumberland Council | 93,697.66 |
| Westmorland & Furness Council | 96,159.80 |
| **Total** | **189,857.46** |

- As can be seen from the chart below, the majority of properties within Cumbria fall within Bands A-C (59%).




2.2 <u>Staffing Establishment</u>

Staffing estimates included in the budget and MTFP include provision for the following:

| Grey Book (Operational) | FTE | HEADCOUNT |
|---|---|---|
| | | |
| Chief Fire Officer | 1.00 | 1.00 |
| Deputy Chief Fire Officer | 1.00 | 1.00 |
| Assistant Chief Fire Officer | 1.00 | 1.00 |
| Area Managers | 3.00 | 3.00 |
| Group Managers | 6.00 | 6.00 |
| Station Managers | 15.00 | 15.00 |
| Watch Managers | 24.13 | 24.00 |
| Crew Managers | 35.00 | 35.00 |
| Firefighters | 125.20 | 126.00 |
| **Total Wholetime** | **211.34** | **213.00** |
| | | |
| **On-Call** | **368.50** | **447.00** |
| | | |
| Green Book (Corporate) | FTE | HEADCOUNT |
| | | |
| **Corporate Staff** | **69.95** | **77.00** |
| | | |
| **Total Service Establishment** | **649.79** | **737.00** |
| | | |

2.3 For information, broadly:

- Each 1% (£0.90) movement in Council Tax impacts on the Service by £170,000

## 3.0 Funding

### Local Government Finance Settlement

3.1 The provisional Local Government Finance Settlement was announced on 18 December 2024. The final settlement was received on 3 February. Any changes to the settlement will be adjusted as an appropriation to or from reserves.

| | 2024/25 | | MTFP Assumed | | Draft Settlement 18/12/2024 | Change from 2024/25 |
|---|---|---|---|---|---|---|
| | £000 | | £000 | | £000 | £000 |
| **Funding:** | | | | | | |
| Revenue Support Grant | 4,679 | | 4,765 | | 4,765 | 86 |
| Business Rate Baseline | 6,486 | | 6,596 | | 6,596 | 110 |
| | **11,165** | | **11,361** | | **11,361** | **196** |
| **Grants - Home Office** | | | | | | |
| Fire PFI | 1,654 | | 1,654 | | 1,654 | 0 |
| Fire Revenue Grant – Firelink | 26 | | 26 | | 26 | 0 |
| Fire Revenue Grant – New Dimensions | 27 | | 27 | | 27 | 0 |
| Pensions Grant (increase in Rate) | 995 | | 0 | | 995 | 0 |
| Pensions Admin Grant | 69 | | 0 | | tbc | |
| | **2,771** | | **1,707** | | **2,702** | **0** |
| **Grants - MHCLG** | | | | | | |
| Services Grant | 49 | | 49 | | 0 | -49 |
| Rural Delivery Grant | 474 | | 474 | | 0 | -474 |
| Compensation for Business Rates Multiplier | 1,208 | | 1,208 | | 1,269 | 61 |
| Funding Guarantee | 459 | | 0 | | 0 | -459 |
| | **2,190** | | **1,731** | | **1,269** | **-922** |

As can be seen from the table above, the provisional settlement removes £922,000 of MHCLG grant. These grants have been redistributed to other local authority areas, particularly social care. Cumbria had a heavy reliance on these grants and therefore is disproportionately impacted by their withdrawal. Overall, the Core Spending Power in the settlement sees only a **1%** increase for Cumbria, which is the lowest across the country. Home Office grant settlement is still awaited at the time of writing this report.

The provisional settlement also indicates that the increased cost of national insurance contributions will not be fully compensated, however, no figures were provided in the settlement announcement.

3.2 The figures contained in this report are currently based on the provisional settlement and include any known changes that have been announced so far.

## Council Tax

3.8 The 2025/26 Draft Referendum Principles (and Council Tax: Local Referendums Briefing Paper) were issued on 28 November in the MHCLG Policy Statement and these included the draft referendum threshold for Fire and Rescue Authorities be set at **£5 for a Band D property.**

3.9 As a consequence of the details set out in this report and having made the appropriate calculations required under Section 32 of the Local Government Finance Act 1992, the Commissioner is recommending an increase in Band D Council Tax of **5.31% or £4.95** for 2025/26.

| 2024/25 | | | 2025/26 | | | |
|---|---|---|---|---|---|---|
| Annual Bill £ | Weekly Bill £ | Property Band | Annual Increase £ | Weekly Increase (rounded) £ | Annual Bill £ | Weekly Bill £ |
| | | | | | | |
| 62.16 | 1.19 | Band A | 3.30 | 0.06 | 65.46 | 1.26 |
| 72.52 | 1.39 | Band B | 3.85 | 0.07 | 76.37 | 1.46 |
| 82.88 | 1.55 | Band C | 4.40 | 0.08 | 87.28 | 1.55 |
| **93.24** | **1.79** | **Band D** | **4.95** | 0.09 | **98.19** | **1.88** |
| 113.96 | 2.13 | Band E | 6.05 | 0.12 | 120.01 | 2.13 |
| 134.68 | 2.52 | Band F | 7.15 | 0.14 | 141.83 | 2.52 |
| 155.40 | 2.90 | Band G | 8.25 | 0.16 | 163.65 | 2.90 |
| 186.48 | 3.48 | Band H | 9.90 | 0.19 | 196.38 | 3.48 |
| | | | | | | |

3.10 With an assumed taxbase of 189,857.46, the above Band D precept would generate an overall Council Tax yield of **£18,642,104.**

3.11 The Band D precept for Cumbria Commissioner Fire and Rescue Authority represents approximately 4% of the overall Band D Council Tax paid by residents.

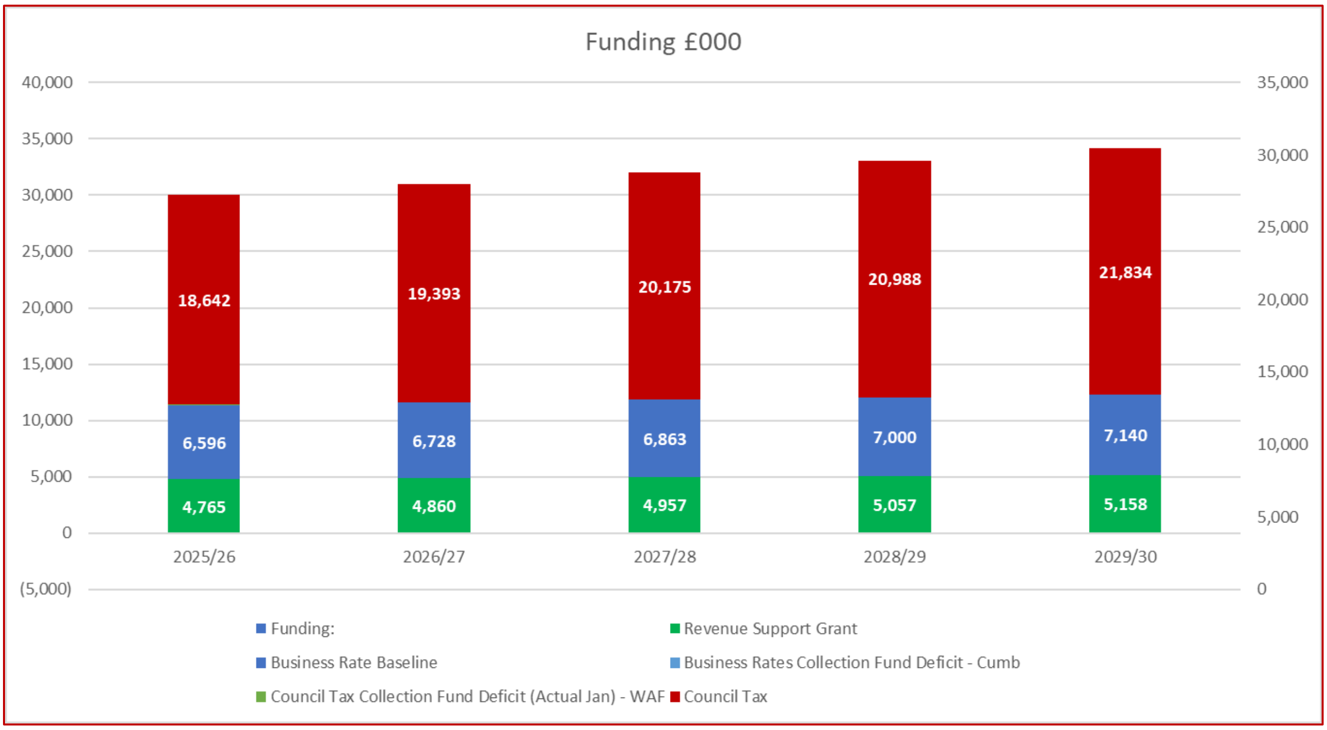
### Consultation

3.12 The Commissioner launched the public consultation through a survey on his website which closed at the end of January 2025. There was a total of 367 responses with 64% supportive of the proposed precept increase.

### Council Tax Collection Fund / Business Rates Collection Fund

3.13 Each year the billing authorities estimate how much of the total potential Council Tax income liability of taxpayers they will collect. They advise precepting authorities of any projected surplus or deficit on the Collection Fund by 15 January. There will also be a surplus / deficit in relation to Business Rates collection, however this is not provided until after 31 January. The known figures are included in this report.

3.14 Overall funding is therefore estimated to be as follows:




3.16 The above estimates of funding assume the following for future years beyond 2025/26:

- 3% increase in Council Tax Band D Precept
- 1% increase in Council Tax base
- 2% increase in Revenue Support Grant
- 2% increase in Business Rates Baseline

## 4.0 Grants and Income

4.1 As well as core funding, the Service receives income from specific government grants as well as small amounts of generated income. The settlement position on grants provided by Home Office will be announced in mid to late January at which point the current allocations shown below will be updated if required and any change will be met by an appropriation to or from reserves.

| Detail | | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2028/29 £000 |
|---|---|---|---|---|---|---|
| **Specific Grants** | | | | | | |
| Fire PFI | | (1,654) | (1,654) | (1,654) | (1,654) | (1,654) |
| Fire Revenue Grant - Firelink (tbc) | | (26) | 0 | 0 | 0 | 0 |
| Fire Revenue Grant - New Dimensions (tbc) | | (27) | (27) | (27) | (27) | (27) |
| Compensation for Business Rate Multiplier | | (1,269) | (1,269) | (1,269) | (1,269) | (1,269) |
| National Insurance Compensation Grant | | (220) | (220) | (220) | (220) | (220) |
| Pensions Grant (Pensions Rate) | | (995) | (995) | (995) | (995) | (995) |
| **Total Specific Grants** | | **(4,191)** | **(4,165)** | **(4,165)** | **(4,165)** | **(4,165)** |
| **Other Income** | | | | | | |
| Salary Costs Recovered | | (75) | (75) | (75) | (75) | (75) |
| Income and Charges | | (10) | (10) | (10) | (10) | (10) |
| Rents and Leases | | (105) | (105) | (105) | (105) | (105) |
| **Total Other Income** | | **(190)** | **(190)** | **(190)** | **(190)** | **(190)** |
| | | | | | | |
| **Total Grants and Income** | | **(4,381)** | **(4,355)** | **(4,355)** | **(4,355)** | **(4,355)** |
| | | | | | | |

Any changes to the grants still to be confirmed in the able above will be actioned through a contribution to/from reserve.

## 5.0 Summary of Base Budget Estimates

5.1 The base estimates are calculated on the assumption that core services will continue at approved levels incorporating decisions agreed by the Commissioner during the current year.

## 6.0 Summary Net Budget Requirement for Council Tax Purposes

| 2024/25 Revised £000 | Summary Net budget Requirement | 2025/26 Proj £000 | 2026/27 Proj £000 | 2027/28 Proj £000 | 2028/29 Proj £000 | 2029/30 Proj £000 |
|---|---|---|---|---|---|---|
| | **Recurring Net Revenue Expenditure** | | | | | |
| | Existing Net Expenditure | 28,712 | 29,564 | 30,510 | 31,328 | 31,847 |
| | Budget Increases | 3,956 | 3,827 | 3,827 | 3,827 | 3,827 |
| | Budget Reductions | (1,134) | (1,134) | (1,134) | (1,134) | (1,134) |
| | Savings Required | 0 | (250) | (250) | (250) | (250) |
| | Treasury Management | (505) | (459) | (402) | (336) | (79) |
| | Changes to income | (789) | (789) | (789) | (789) | (789) |
| **26,869** | **Total Net Recurring Expenditure** | **30,240** | **30,759** | **31,762** | **32,646** | **33,422** |
| | **Non-Recurring Revenue Expenditure** | | | | | |
| 0 | Existing Expenditure | 0 | 0 | 0 | 0 | 0 |
| 125 | New Spending Pressures | 1,257 | 0 | 0 | 0 | 0 |
| **26,994** | **Total Net Revenue Expenditure** | **31,497** | **30,759** | **31,762** | **32,646** | **33,422** |
| | **Less Contributions (from)/to Reserves** | | | | | |
| 955 | Recurring Commitments | (128) | 224 | 233 | 399 | 710 |
| (125) | Non-Recurring Commitments | (1,257) | 0 | 0 | 0 | 0 |
| **27,824** | **Total CFRS Budget Requirement for Council Tax purposes** | **30,112** | **30,983** | **31,995** | **33,045** | **34,132** |

The contribution from reserves for non-recurring commitments includes the use of £1m allocated by the Home Office to Cumbria Fire and Rescue in March 2024 in support of its budget. This funding has been allocated to finance the capital programme and reduce borrowing liability and costs. Although this is a drawdown from reserves in 2025/26, the funding was provided in 2024/25 so was set aside in reserves for this purpose.

The proposed draft budget will see small contributions to reserves over the 5-year MTFP period, but this is predicated on achieving the savings identified at 9.3.

## 7.0 Total Funding and Provisional Council Tax Projections

| 2024/25 Revised £000 | Total Funding and Council Tax Impact | 2025/26 Proj £000 | 2026/27 Proj £000 | 2027/28 Proj £000 | 2028/29 Proj £000 | 2029/30 Proj £000 |
|---|---|---|---|---|---|---|
| | | | | | | |
| **27,824** | **Projected Net Budget Requirement for Council Tax purposes** | **30,112** | **30,983** | **31,995** | **33,045** | **34,132** |
| | Funded by: | | | | | |
| (16,737) | Council Tax Income | (18,643) | (19,394) | (20,175) | (20,988) | (21,834) |
| 78 | Estimated Council Tax/Business Rates (Surplus) / Deficit | (108) | 0 | 0 | 0 | 0 |
| (6,486) | Retained Business Rates | (6,596) | (6,728) | (6,863) | (7,000) | (7,140) |
| (4,679) | Revenue Support Grant | (4,765) | (4,861) | (4,957) | (5,057) | (5,158) |
| **(27,824)** | **Total Funding** | **(30,112)** | **(30,983)** | **(31,995)** | **(33,045)** | **(34,132)** |
| 179,509.47 | Estimated Tax Base | 189,857.46 | 191,756.03 | 193,673.59 | 195,610.33 | 197,566.43 |
| £ 93.24 | Band D Council Tax | £ 98.19 | £ 101.14 | £ 104.17 | £ 107.29 | £ 110.51 |
| | Increase over previous year | | | | | |
| £ 2.79 | £ | £ 4.95 | £ 2.95 | £ 3.03 | £ 3.13 | £ 3.22 |
| 2.98% | % | 5.31% | 3.00% | 3.00% | 3.00% | 3.00% |

## 8.0 New spending pressures

8.1 The budget includes areas where new spending pressures have arisen. The most significant of these is the additional cost required to meet the changes in on-call firefighter pay grades. This will add approximately £899,000 to the pay bill with Cumbria having such a high reliance on on-call firefighters. Other staffing related pressures relate to provision of budgets for National Insurance and pension contributions for on-call firefighters that have not previously been explicitly provided for (£1.098m). This pressure is partly offset by the inclusion of a salary turnover (vacancy factor) budget.

8.2 Other pressures arising in the Service are increased costs for North-West Fire Control (£216,000), revenue repairs and maintenance (£166,000), increased fleet maintenance and fuel costs (£160,000). Increased costs of national insurance due to changes in employers' contribution rates will add £322,000 to the pay bill (although this is partly offset through additional government grant). Additional inflationary pressures of £342,000 are also included in the budget.

8.3 Non-recurring pressures relate to the additional provision of an additional Area Manager post for 12-months, and increased contributions to SLA agreements for 2025/26. There is also a proposed one-off revenue contribution to the capital programme that will reduce the underlying borrowing requirement and also borrowing costs in future years.

## 9.0 Proposals for savings and efficiencies

9.1 As well as the areas identified above as additional expenditure, there are some areas where savings and efficiencies can be achieved. These are as follows:

9.2 **Other Savings and Efficiencies**

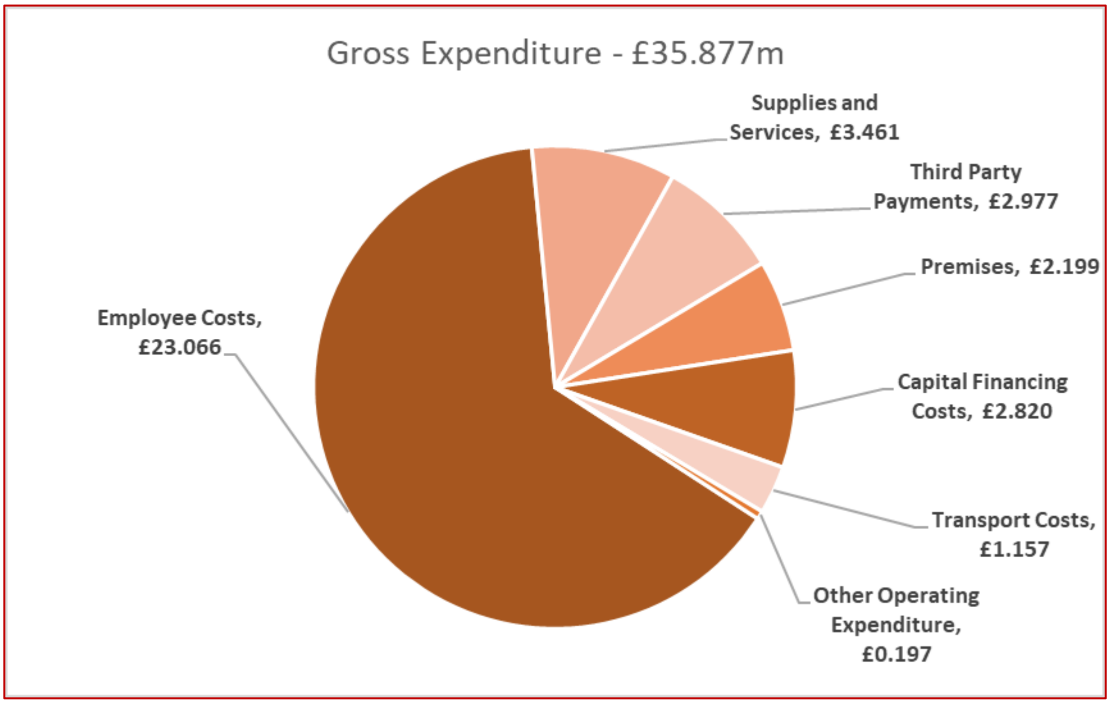
Savings of £34,000 have been identified from the zero-based budget review, and £750,000 will be included in the budget to offset the additional pay costs as a salary turnover (vacancy factor) target which has not previously been included and was recommended as part of the value for money review undertaken earlier in the year.

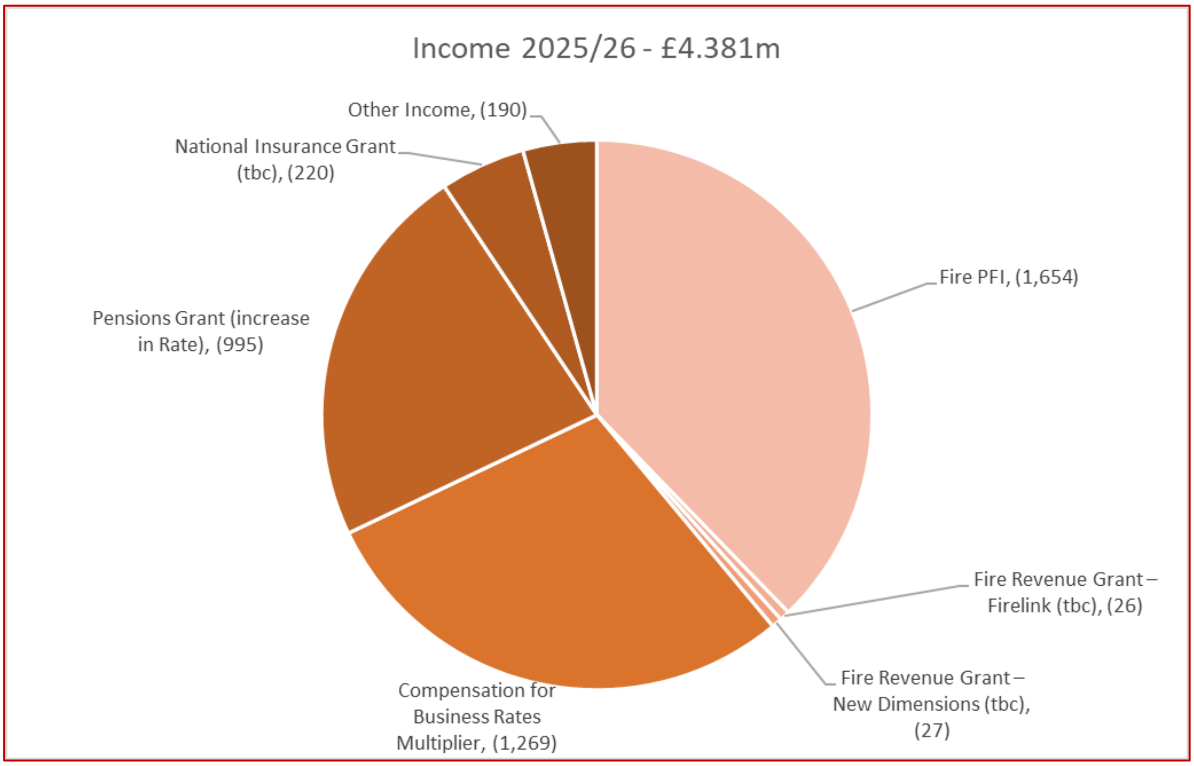
9.3 **Future Savings Requirement**

The proposed budget as it currently stands shows that there is a requirement to use reserves in the short term. With the potential for funding reform in 2026/27 there should therefore be an expectation that savings will be required to balance the budget. Further one-off support from Home Office has been requested for the short term to allow the new Chief Fire Officer time to consider areas for potential savings in the future. The current forecast shows a short-term requirement to utilise reserves, therefore savings need to be set at a considered and effective level. **Therefore, an efficiency target has been included in the budget which equates to £250,000 to be found on a recurring basis from 2026/27.**

| | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 | 2028/29 £'000 | 2029/30 £'000 |
|---|---|---|---|---|---|
| **Savings requirement** | **0** | **250** | **0** | **0** | **0** |

Achieving these savings from 2026/27 would enable reserves to continue to be built and would provide some headroom in case of future funding reductions. A 5% reduction in Revenue Support Grant and Business Rates baseline would equate to £580,000.






## 10.0 Projected impact on Reserves and Balances

10.1 It should be noted that if all the potential new spending pressures, savings and changes to funding are accepted, reserves **will** reach prudent acceptable minimum levels in 2028/29. ***Once the final settlement is announced this is highly likely to improve.***

10.2 The general principles on each of the reserves are set out in the Medium-Term Financial Plan. In terms of meeting ongoing revenue expenditure, the general guiding principle is that:

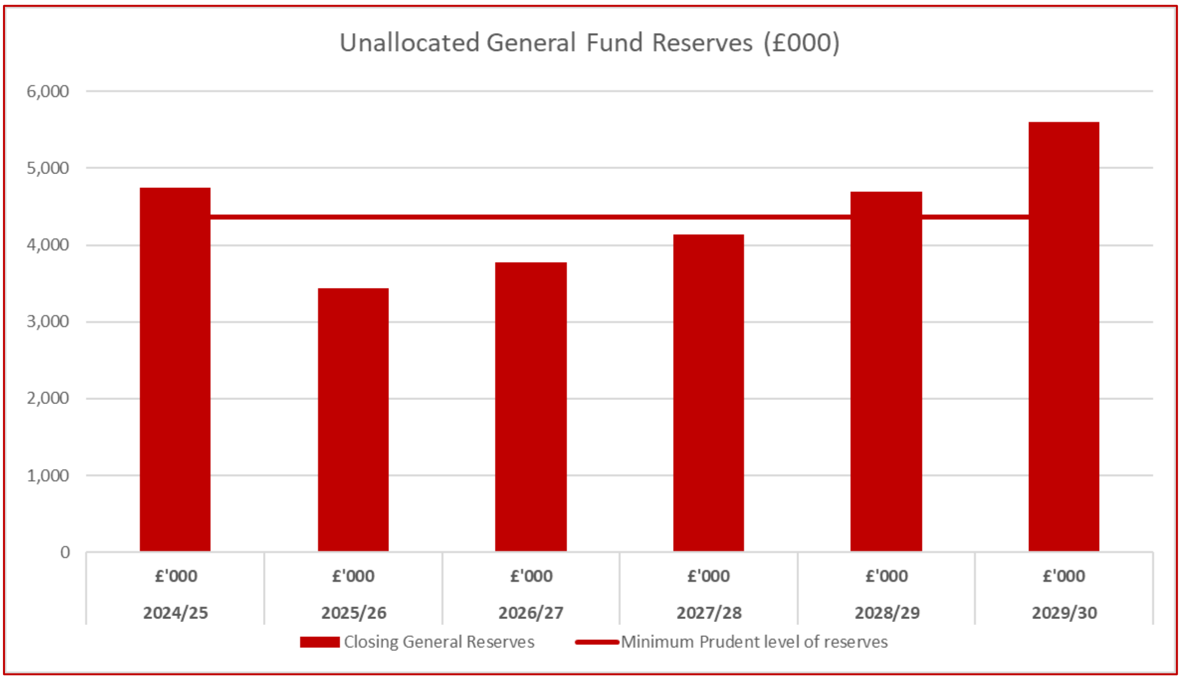
> *"Wherever possible, reserves should not be used to fund recurring expenditure, but that where it is, this should be made explicit, and steps taken to address the situation in the following years'".*

10.3 The current levels of reserves are set out below and include any impact of the proposed pressures and savings outlined in this report. A risk-based review of prudent unallocated reserve levels has been undertaken and shows that the minimum level of General Fund Reserves should be **£4.358m.**

10.4 The PFI reserve is used for smoothing the increases in the PFI payments compared to the amount of grant received. From 2025/26, the reserve will begin to be released to match the budget requirement for the PFI contract which is contained in the base budget.

| | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2029/30 £000 |
|---|---|---|---|---|---|
| **Opening Balance - General Fund Reserve (Estimated)** | **4,748** | **3,442** | **3,772** | **4,138** | **4,700** |
| In Year Contribution to/(from) GF Reserves (MTFP) | (1,385) | 224 | 233 | 399 | 710 |
| Transfers (to)/from Earmarked Reserves | 79 | 106 | 133 | 163 | 193 |
| **Closing Balance - General Fund Reserve (Estimated)** | **3,442** | **3,772** | **4,138** | **4,700** | **5,603** |
| | | | | | |
| **Estimated Prudent Minimum Level of Reserves (Appendix 2)** | **4,358** | **4,358** | **4,358** | **4,358** | **4,358** |
| | | | | | |
| **Excess / (Shortfall)** | **(916)** | **(586)** | **(220)** | **342** | **1,245** |
| Earmarked Reserves | | | | | |
| PFI | 1,835 | 1,729 | 1,596 | 1,433 | 1,240 |
| Insurance (includes in year saving) | 437 | 437 | 437 | 437 | 437 |
| Other Earmarked Reserves | 405 | 405 | 405 | 405 | 405 |
| **Total Earmarked Reserves** | **2,677** | **2,571** | **2,438** | **2,275** | **2,082** |
| | | | | | |
| **Total Estimated Reserves** | **6,119** | **6,343** | **6,576** | **6,975** | **7,685** |

Opening reserves for 2025/26 include the £1m funding provided by Home Office which will be utilised in 2025/26 for reducing the borrowing requirement and associated interest costs.




## 11.0 Sensitivity Analysis and Scenario Planning

11.1 The tables below show the impact on the estimated prudent minimum levels of reserves and the forecast level of reserves as 31 March 2025, under different scenarios of losses of grant income, other income and increases in gross expenditure. The Service only receives approximately 12% of its overall income from grants and other income, so is therefore less susceptible to losses from these income sources. However, given the low level of reserves, there would still be an impact on the Service in terms of financial sustainability.

| | % Change in Other Income | | | % Change in Grant Income | | | % Change in Gross Expenditure | |
|---|---|---|---|---|---|---|---|---|
| | Minimum Reserves (£000) | Forecast Reserves at 31/03/26 (£000) | | Minimum Reserves (£000) | Forecast Reserves at 31/03/26 (£000) | | Minimum Reserves (£000) | Forecast Reserves at 31/03/26 (£000) |
| **-25%** | 4,319 | 3,403 | **-25%** | 3,167 | 2,251 | **-25%** | 13,327 | 12,411 |
| **-10%** | 4,343 | 3,426 | **-10%** | 3,882 | 2,965 | **-10%** | 7,946 | 7,030 |
| **-5%** | 4,350 | 3,434 | **-5%** | 4,120 | 3,204 | **-5%** | 6,152 | 5,236 |
| **-1%** | 4,356 | 3,440 | **-1%** | 4,310 | 3,394 | **-1%** | 4,717 | 3,801 |
| **0%** | **4,358** | **3,442** | **0%** | **4,358** | **3,442** | **0%** | **4,358** | **3,442** |
| **1%** | 4,360 | 3,443 | **1%** | 4,406 | 3,489 | **1%** | 3,999 | 3,083 |
| **3%** | 4,363 | 3,446 | **3%** | 4,501 | 3,585 | **3%** | 3,282 | 2,366 |
| **5%** | 4,366 | 3,450 | **5%** | 4,596 | 3,680 | **5%** | 2,564 | 1,648 |
| **10%** | 4,374 | 3,457 | **10%** | 4,834 | 3,918 | **10%** | 770 | (146) |
| **25%** | 4,397 | 3,481 | **25%** | 5,549 | 4,633 | **25%** | (4,611) | (5,527) |

## 12.0 Capital Programme and Capital Financing

12.1 In accordance with the Capital Investment Strategy, the Chief Finance Officer (S.151 Officer) will make recommendations on the most effective way of financing the capital programme to optimise the overall use of resources.

12.2 It should be noted that capital resources can only be used to fund capital expenditure and cannot, except for the Service's own Reserves, be used to fund revenue expenditure. There are strict definitions of what constitutes capital expenditure.

12.3 It should also be noted that the resources available to support the capital programme can only be estimated during the year. The final position is dependent on how successful the Service has been in generating Capital Receipts from the sale of assets against its target i.e., the more capital receipts generated, the less is required to be taken from Borrowing and

12.4 **Potential Capital Resources available**
The capital programme will be funded through borrowing requirement unless any external grants can be obtained, or capital receipts generated from sale of surplus assets. Any surplus assets will be sold at best consideration as per the Financial Regulations and any receipts generated will be utilised for future capital financing. The borrowing costs (interest and MRP) of the proposed programme have been included in the estimates of revenue expenditure outlined above. ***Any increases to the capital programme above the levels outlined in the revised programme above, would have implications on the revenue budget in terms of affordability and borrowing costs.*** All significant capital investment decisions should have consideration to the borrowing costs, and how these can be funded.

12.5 **Summary Provisional Capital Programme 2025/26 – 2029/30**
The summary provisional programme and financing impact on the borrowing requirement is set out below:

| Capital Programme | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 | 2028/29 £'000 | 2029/30 £'000 |
|---|---|---|---|---|---|
| **Proposed Programme** | | | | | |
| Fleet | 2,540 | 1,985 | 1,573 | 1,483 | 1,370 |
| Estates | 1,808 | 734 | 1,169 | 356 | 917 |
| ICT & Equipment | 980 | 901 | 899 | 1,339 | 714 |
| **Total Proposed Programme** | **5,328** | **3,620** | **3,641** | **3,178** | **3,001** |

| Summary Programme | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2029/30 £000 |
|---|---|---|---|---|---|
| Estimated Borrowing Requirement 31 March 2025 (excl PFI) | 10,730 | | | | |
| In Year Impact: | | | | | |
| - Estimated resources available in year | (1,000) | 0 | 0 | 0 | 0 |
| - Proposed Programme | 5,328 | 3,620 | 3,641 | 3,178 | 3,001 |
| **Gross Borrowing Requirement (before MRP) (Excl PFI)** | **15,058** | **18,678** | **22,319** | **25,497** | **28,498** |
| | | | | | |

### 12.6 Borrowing and Treasury Management

12.6.1 The Prudential Code gives authorities freedom to borrow to fund capital schemes subject to the over-riding principles of Affordability, Prudence and Sustainability. Whilst these freedoms could significantly impact on the capital resources available to the Authority, the principles referred to in effect mean that the Service is limited by the ongoing cost of any borrowing (i.e. the cost of prudential borrowing falls to be met from the General Fund recurring expenditure). The Prudential Code requires authorities to develop their own programmes for investment in fixed assets, based upon what the authority and local taxpayers can afford, and subject to a full Business Case and Options appraisal process.

12.6.2 The estimates in the Medium-Term Financial Plan for borrowing assumes most of the borrowing requirement is external borrowing (actual debt with PWLB). However, decisions around borrowing are made by the S.151 Officer and will be made considering appropriate timing and requirements of borrowing for cash-flow purpose and interest rate forecasts.

12.6.3 The Medium-Term Financial Plan includes the following assumptions around Capital Financing and borrowing.

| Capital Financing Requirement (excl PFI) | 2025/26 £000 | 2026/27 £000 | 2027/28 £000 | 2028/29 £000 | 2029/30 £000 |
|---|---|---|---|---|---|
| Opening Estimated Borrowing Requirement (excl PFI) | 10,730 | 14,371 | 17,064 | 19,451 | 21,097 |
| In Year Impact: | | | | | |
| - Estimated resources available in year | (1,000) | 0 | 0 | 0 | 0 |
| - Proposed Programme | 5,328 | 3,620 | 3,641 | 3,178 | 3,001 |
| - Minimum Revenue Provision (Provision for repayment of debt) | (687) | (927) | (1,254) | (1,532) | (1,838) |
| **In Year Borrowing Requirement** | **3,641** | **2,693** | **2,387** | **1,646** | **1,163** |
| **Closing Estimated Borrowing Requirement** | **14,371** | **17,064** | **19,451** | **21,097** | **22,260** |

# Section 2 - Medium-Term Financial Planning

1.1 The above budget estimates provide forecasts for the forthcoming 5-year period.

1.2 The overarching policy guidelines of the Medium-Term Financial Plan (MTFP) are that resources will be directed in priority areas via the budget process within the overall caveats that:

- Redirection of resources towards areas of high priority will be contained within existing budgets, unless increases can be justified and funded through the budget process.
- Council Tax increases will be limited to fair and reasonable levels, taking account of national guidance from Government.
- External grants and income will be maximised wherever possible to mitigate the effects of budget increases.
- Partnership working and funding opportunities will be explored wherever feasible.

1.3 The Medium-Term Financial Plan provides the corporate financial planning framework to provide strategic direction for CFRS for the next five years and to ensure that the financial resources of CFRS are directed to achieving the Service's key priorities.

## 2.0 Financial Principles supporting the MTFP.

2.1 The key principles to be applied to the MTFP are as follows:

Financial Principle 1 – Revenue Budget Strategy

- Guide the integration of financial planning with the priorities set out in the Fire Plan and CRMP to ensure that spending decisions contribute to the achievement of priorities.
- Forecast a minimum five-year corporate and financial planning horizon, with longer periods developed where necessary.
- Manage performance management and decision-making procedures to help achieve the best use of available resources.
- Monitor and evaluate proposed and actual spending to ensure that value for money is obtained.
- Review the Reserves Strategy in line with CIPFA and other best practice guidance to ensure that all the reserves held are still applicable and relevant.
- Achieve a minimum level of General Fund Reserves over the life of the MTFP as set by an annual risk assessment.
- Consider the impact of any other Government Budget initiatives e.g., Fair Funding Review and any Comprehensive Spending Review implications.
- Develop and implement a robust savings and income plan to achieve the savings targets.
- Undertake and continually review a full base budget review.
- Limit revenue budget pressures to those which are unavoidable, and which cannot be accommodated within existing base budgets.

Financial Principle 2 – Council Tax & Business Rates Policy

- Determine Council Tax levels that are prudent and retain stability for the Services financial strength.
- Assessment of the impact of business rates retention including impact on Section 31 grants.

Financial Principle 3 – Treasury Management

- Annual review of the Treasury Management budget for revised interest rates, changes to average balances and the effects of capital spending decisions.
- Consider the appropriate levels of prudential borrowing that is affordable, sustainable and within acceptable council tax levels, and delivers objectives aligned to priorities.
- Undertake an annual review of the Service's Minimum Revenue Provision policy and its impact on the revenue budget.
- Have a Treasury Management Strategy, which is compliant with the revised Prudential Code and Treasury Management Code to achieve the optimum return on investments, with the security of the principal sum always being the primary consideration.

Financial Principle 4 – Capital Investment

- As set out in the Capital Investment Strategy.
- Review of capital financing decisions which will have a revenue budget impact due to lack of capital resources (E.g., through generation of capital receipts and borrowing).

## 3.0 Links to other Strategies

3.1 The Medium-Term Financial Plan takes account of other Strategies, which have a potential impact on the use of resources by the Service. Particularly consideration is given to the following key strategies: -

- The Commissioner's Police, Fire and Crime Plan
- The Community Risk Management Plan (CRMP)
- The Capital Investment Strategy, which provides information on the proposed level of investment in capital projects and the consequent impact on the revenue budget.
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget.
- The Estates Strategy, which provides forecasts of necessary investment in the estate's portfolio.
- The Fleet Strategy, which provides information on the investment, maintenance, and aspirations of the Service's fleet.
- The Asset Disposal Strategy.
- The Productivity and Efficiency Plan
- The Procurement and Commissioning Strategy.
- The ICT Strategy.
- The People Strategy

## 4.0 Assumptions & Issues Arising

4.1 The following assumptions are included in the MTFP.

| | 2025/26 % | 2026/27 % | 2027/28 % | 2028/29 % | 2029/30 % | 1% Change £000 |
|---|---|---|---|---|---|---|
| Firefighters Pay Award | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 233.500 |
| NJC Pay Award | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 12.000 |
| Premises | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 21.000 |
| PFI Contract Indexation | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 19.000 |
| Transport | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 9.000 |
| Supplies & Services | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 20.500 |
| SLA's | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 14.000 |
| Third Party Expenditure | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 3.500 |
| NW Fire Control | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 6.500 |
| **Income/Funding Assumptions** | | | | | | |
| Government Grant Increases | 1.70% | 2.00% | 2.00% | 2.00% | 2.00% | 47.650 |
| Business Rate Increases | 1.70% | 2.00% | 2.00% | 2.00% | 2.00% | 65.960 |
| Council Tax Band D | 5.31% | 5.09% | 4.85% | 4.62% | 4.42% | 170.000 |
| Council Tax base | 5.76% | 1.00% | 1.00% | 1.00% | 1.00% | |

## 4.2 Economic Risks - Assumption Risks

4.2.1 The impact of a different inflation assumptions to that estimated in the MTFP are as follows:

- Every 1% in Council Tax equates to circa £159,000 per annum.
- Every £1 in Council Tax equates to £170,000 per annum.

## 4.3 Funding

4.3.1 CFRS receives core funding from Government each year as part of the Settlement Funding Assessment which comprises of the Business Rates baseline funding level and information on tariffs and top ups. Although the Government set the Business Rates Baseline, the actual funding is received via the Non-Domestic Rates income the Unitary Council's collect.

4.3.2 As well as the core funding as agreed in the Settlement Funding Assessment, the Service is also the recipient of other support from central government in the form of specific grants. These are included in the budget as income rather than funding and are linked to specific schemes or services.

4.3.3 The MTFP includes an inflationary increase at the current maximum allowable for Council Tax and an estimate for Business Rates Baseline. The MTFP does not currently include any estimations for the potential income from retained business rates following the proposed business rates reset in 2026, however a 5% reduction in business rates funding would equate to £330,000.

4.3.4 The MTFP does not include any provision for any surplus/deficit on the Collection Fund for either Council Tax or Business Rates. Any deficit's declared by the Unitary Authorities would reduce the level of funding the Service would receive in the future.

## 4.4 Stand Alone Service Risks

4.4.1 As a new standalone fire authority that is still in its infancy both the PFCC and the Chief Fire Officer recognise that it will take time to gain a better understanding of operational and budgetary pressures facing CCFRA. These pressures are likely to require investment to ensure resources, premises and equipment is at an appropriate level.

4.4.2 Several of the larger support services such as ICT and Payroll are being provided by the Unitary Councils in the first instance. Whilst there is an aspiration to control costs to current levels there are risks associated with pricing for the SLA's, service standards in the new arrangements and the long-term appetite for the unitary authorities to continue to provide services in future years. Whilst opportunities may arise with the PFCC/Constabulary or a Fire-Fire basis to improve that is likely to require additional investment in systems, people, and processes.

4.4.3 Although provision has been made for pay awards in the MTFP, any actual pay award granted over these assumptions would have a detrimental affect on the budgetary position of the Authority. A 1% change in pay award would have a £230,000 impact.

## 4.5 Major Incidents

4.5.1 Around 50% of operational cover is provided by the On-call firefighting service. Costs can be significantly affected by major incidents with recent cost surges being caused by flooding and wildfire incidents. Costs pressures could be as much as £0.5m in a single year. If any major incidents were declared, then CFRS would lobby government for support through the Bellwin scheme. If any unexpected costs were to arise they would be considered for how they could be met from the existing budget prior to a supplementary call on unallocated reserves if required. Reserves would then need to be replenished.

## 4.6 Litigation and Insurance Claims

4.6.1 The service is responsible for its own insurance cover for the first time and the profile of insurance, excesses, self-insured elements, and any limitations on cover are not known. The nature of the service provided by fire and rescue means that there is always the potential for insurance claims and unexpected litigation costs. Although there is a self-insurance reserve, this will need to be maintained at a suitable level for any potential future claims that are not covered by the insurance excesses in place.

## 4.7 Pensions

4.7.1 The Government introduced reforms to public service pensions in 2015 which resulted in most public sector workers being moved into new pension schemes. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members gave rise to unlawful discrimination based on age. In July 2019, the Chief Secretary to the Treasury made a written ministerial statement confirming that, as 'transitional protection' was offered to members of all the main public service pension schemes, the difference in treatment will need to be removed across all those schemes for members with relevant service.

4.7.2 It is expected that the on-going cost of higher pension benefits will arise from two main areas:

- Costs arising from the above case, and
- The yet unknown results of the next actuarial valuations for unfunded schemes such as Firefighters and Police which will be built into the scheme valuation process and reflected in the 2025/26 employer and employee contribution rates.

## 4.8 Industrial Action

4.8.1 Any potential for industrial action requires contingency arrangements which were previously managed within County budgets for the year or from reserves. That position remains and any alternative options would need to be costed, determined and funding set aside.

## 4.9 Capital Programme

4.9.1 Whilst a capital programme has been developed and included in the budget assumptions, it is largely funded from borrowing requirement. Consideration needs to be given to the following areas:

- Aligning the capital programme to the Fleet Strategy and undertaking a full review of vehicle aspirations, current fleet stock condition and undertaking a full option appraisal around the most appropriate financing options.
- There has been little investment in the fire service estate for a significant period and many stations are not equipped for the needs of a modern service. The capital programme will therefore need to reflect a level of investment in the estate that will address these issues.
- There may be an increased need to invest in ICT and provision may be under pressure. Both in replacement systems for the NW regional control centre and in systems to support new more efficient ways of working.

4.9.2 Further in-depth consideration of capital investment opportunities is given in the Capital Investment Strategy.

## 4.10 Environmental and Climate

The Service will need to consider new and existing Environmental regulations and the need to meet sustainability targets. This could require investment in new sustainable technologies, for example, EV charging points, solar panels, sustainable fuels and other investment to meet national and organisational targets.

The Wildfire fleet is currently well positioned, but with increases in extreme weather conditions, between this and flooding the risk model for the Service will change and may need continued investment. For example, development and implementation of additional training for a burns team.

## 4.11 Technology and Infrastructure

The Service will need to invest in infrastructure and technology to enable it to maintain and improve on an efficient and productive service. As it moves away from hosted services with the Unitary authorities, investment in new systems and new infrastructure will be required. These will need to be considered in the Capital Investment Strategy, with any revenue implications included in the MTFP.

## 4.12 Other Considerations

The MTFP will also need to address how the Service can work collaboratively with the Constabulary or other bodies to achieve efficiencies.

The Service will need to look at how it can generate external grants and contributions to support both its capital and revenue expenditure.

## 5.0 Reserves Strategy

5.1 CFRS holds balances to meet future commitments. The policy on the use of reserves is as follows:

- Reserves will not be used to fund recurring items of expenditure, but where it does steps will be need taken to replenish to minimum levels (i.e. through recurring savings).

- Reserves will not become overcommitted.

## 5.2 General Fund

5.2.1 Having undertaken a risk assessment considering the risks and working balances required, the balance on the General Fund reserve indicates that this should broadly equal **£4.3m** as a minimum prudent level. The risk-based assessment of the appropriate level of this reserve is conducted as part of the budget process. The prudent level of reserves may need to be revised in the medium term to take account of any amounts that can be set aside in earmarked reserves to mitigate specific risks identified in the risk assessment.

## 5.3 Earmarked Reserves

5.3.1 Earmarked reserves will not be used for recurring items of expenditure, nor become over-committed.

5.3.2 For each earmarked reserve there will be a clear protocol in place setting out:

- The purpose of the reserve.
- How and when the reserve can be used.
- Procedures for the management and control of the reserve.
- Processes for the review of the use of the reserve to ensure that it continues to have an adequate level of funds and remains relevant to the business of the Service.

PFI Reserve

The PFI reserve will be used over the remaining length of the PFI contract to meet the differences in the annual service charges and the PFI grant received. The PFI contract will be regularly reviewed to ensure it remains consistent with the Service's needs.

Insurance Reserve

The insurance reserve will be used to meet those uninsured and below excess costs for any insurance liabilities. The MTFP agreed in February 2023 assumed this reserve would be fully used in two years. This will need to be reviewed and a plan will be required to ensure this reserve is maintained at an adequate level to meet potential future liabilities.

Donations

This reserve holds the balance of amounts received in donations.

Estates

This reserve holds a balance that can be utilised for future estates work.

HMICFRS Inspection Reserve

This reserve holds a balance that can be used to fund additional costs that may arise as part of the HMICFRS inspection regime.

ESMCP

This reserve holds the balance of the amount set aside for Emergency Services Communication Project (ESMCP).

Efficiency and Transformation Reserve

This reserve holds a balance to be utilised for efficiency and transformation projects.

Home Office Grants

This reserve holds the balance of Home Office Grants that were received in 2023/24. It is anticipated that these will be fully utilised in 2024/25.

## 5.4 Future Earmarked Reserves

5.4.1 The following areas are considered for future earmarked reserves once the General Fund and Insurance Reserves are at an acceptable level.

- Industrial action contingency reserve
- Large operational equipment purchases.
- Transformation or invest to save reserve.
- Ill health pension reserve.
- Pension remedies reserve.

## 5.5 Capital Reserves

5.5.1 CFRS hold no capital reserves at the current point in time.

## 5.6 The Responsibilities of the Chief Finance Officer (s.151)

5.6.1 The Chief Finance Officer (s.151) will review each reserve and its use annually and produce a report as part of the annual budget process detailing: -

- Compliance with the use of reserves,
- Movements in the level of reserves, including the purposes for which reserves were used during the previous financial year,
- The adequacy of the level of reserves and the effects on the budget requirement,
- Any reserves which are no longer required,
- Proposals to set up new reserves, including purposes, protocols, funding sources and potential impact on the Medium-Term Financial Plan.

5.6.2 The Chief Finance Officer (s.151) will review this policy at least annually and will obtain the approval of the PFCC for any change required to either the policy or protocols associated with specific reserves.

# Section 3 - Statutory Requirements

## 1.0 Robustness of the Budget – Statement of the S151 Chief Finance Officer

1.1 Section 25 of the Local Government Act 2003, places a duty on the S151 to make a report to the authority on:

- The robustness of the estimates included within the budget.
- The adequacy of the reserves and balances/

1.2 The PFCC must have regard to this when considering the budget and the report must be shared with the Police, Fire and Crime Panel.

1.3 In his considerations, the S151 Officer is mindful of other associated statutory safeguards designed to support the authority:

- Section 151 of the Local Government Act 1972 which requires the authority to make arrangements for the proper administration of its financial affairs and that the chief financial officer has personal responsibility for such administration.

- Sections 32, 43 & 93 of the Local Government Finance Act 1992 which requires the authority to set a balanced budget.

- The Prudential Code introduced as part of the Local Government Act 2003 which sets out the framework within which the authority must manage its investments, including adequate planning and budget estimates.

- The external auditor's duty to assess the adequacy of the authority's proper arrangements to secure economy, efficiency and effectiveness ('value for money').

1.4 To reinforce these obligations, section 114 of the Local Government Finance Act 1988 requires the S151 Officer to report in consultation with the Monitoring Officer if there is or is likely to be unlawful expenditure or an unbalanced budget.

1.5 This report has set out the detailed budget setting process that has taken place and the work undertaken to ensure the budget is as realistic, deliverable and achievable as possible.

1.6 The estimates and assumptions are based on the best information available at the time of formulating the budget in line with the fundamental accounting concepts and are reasonable and prudent.

1.7 The Section 25 Statement of the S151 Chief Finance Officer for CFRS is included at **Appendix 1.**

Human Rights Implications

None identified

Race Equality / Diversity Implications

The budget has been subject to a detailed Equality Impact Assessment.

Risk Management Implications

There is a legal requirement to set a balanced budget. The Commissioner's strategic risk register recognises the importance of sound financial planning. There are significant risks associated with the budget, particularly around hosted services and SLA's and uncertainty around costs for these services. The budget also assumes a borrowing requirement for capital investment and assumptions have been made around borrowing costs which will be dependent upon economic conditions at the time the borrowing is required. Significant savings are required to be achieved and if these are not achieved by the start of the financial year, these could have an impact on in-year performance.

Financial Implications

The main financial impacts are described in the paper.

HR Implications

As identified in the report. There is a significant savings requirement to be found from staffing savings and unless vacant posts are removed from the establishment, there may be a required change management process to achieve this.

Contact points for additional information

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## Appendix 1

## STATUTORY REPORT OF S.151 OFFICER

1. In setting its Budget Requirement, the Service is required under the Local Government Act 2003 (Section 25) to consider:

   (i) The formal advice of the statutory responsible financial officer (Chief Finance Officer (S.151 Officer)) on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides;

   (ii) The Service has to determine what levels of borrowing, if any, it wishes to make under the Prudential Code that governs local authority borrowing.

2. Robustness of the Estimates

Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by the finance team, the Senior Leadership Team and Executive Board - Fire prior to final submission to the PFCC.

The Service's revenue and capital budgets are integrated in that the financial impact of the proposed capital programme is reflected in the revenue estimates.

The Service has no history of overspending against budget. The Service has in place robust budget management procedures and has moved to its own finance system that gives greater control and opportunities for ensuring financial reporting is accurate and robust.

2025/26 will be the third year of the Service's governance arrangements under the PFCC stewardship and as such this continues to bring increased risk exposure. However, the provisional Local Government Finance Settlement sees a significant reduction in core government funding which will present challenges in the medium term.

It must be recognised that there are always risks involved in projecting and forecasting budgets, particularly over the medium term, and the year-end position will never exactly match the estimated position in any given year. Areas of specific risk in the current five-year period under consideration are:

- Current and future central government funding continues to be very uncertain. The 2025/26 Local Government finance settlement has seen a reduction of £992,000 in specific grants from MHCLG, which represents over 3% of the overall budget. Further changes to the funding regime, including business rates reset from 2026 has the potential to further impact the Service's ability to present balanced budgets.

- The disaggregation of hosted services from the Unitary Council's will present challenges both operationally and financially. Although budgetary provision is included for these services, decisions on future provision may place additional financial pressure on the Service.

- Capital Financing will be undertaken by increasing the borrowing requirement of the Service; therefore, consideration needs to be given to the cost of borrowing and the impact on the revenue budget. Estimates have been made for the overall treasury management budget, including borrowing costs and interest receipts, however, return on treasury management activities are subject to market rates. This risk is advised upon every year, and it should be noted that in the current economic climate with higher than usual inflation and higher base rates than have been experienced over the past 15-years, investment income returns in the medium term may fluctuate.

**The main risk to the robustness of the estimates contained within the 5-year MTFP is the continued uncertainty regarding future funding models and allocations from central government.**

**The current budget estimates show a requirement to fund expenditure from reserves in the short term but with an overall increase in unallocated General Fund reserve levels over the life of the MTFP. Savings will be required from 2026/27 in order to alleviate some of the pressures expected and potential for reductions in future funding settlements.**

**The delivery of savings and efficiencies will be vital to maintaining reserves at prudent levels and ensuring the service is fit for purpose. Therefore, the savings built into the budget must be identified and achieved before the start of the relevant financial year.**

**The level of the Service's future Capital Programme includes a significant borrowing requirement over the five-year period and estimates have been made as to the potential costs of this borrowing in the revenue budget.**

Central contingencies – there have been no contingency budgets built into the existing estimates. This means that any unforeseen expenditure that cannot be contained within existing budgets will require a supplementary estimate (from reserves) to cover any costs. The budget proposals will significantly limit the capability to deal with any of these events and these may have to be found from within other budgets and reserves should the need arise.

2. **Adequacy of Reserves**

The level and usage of the Service's Reserves is undertaken annually as part of the Medium-Term Financial Plan.

The appropriateness of the level of reserves can only be judged in the context of the Service's longer-term plans and an exercise has been undertaken to review the level of reserves through the use of a risk assessment matrix. This matrix identifies the potential for use of reserves if, for example, assumptions in the budget change, external pressure is placed upon the service, or unknown factors The findings of this exercise suggest that the minimum level should be set at **£4.3million** as a prudent level of General Fund Reserves which will be required as a general working capital/ contingency to cushion the Service against unexpected events and emergencies.

The Service's policy on reserves is that wherever possible reserves should not be used to fund recurring expenditure, but that where it is, this should be made explicit, and steps taken to address the situation in the following years.

**Based on current projections, the general fund unallocated reserves will not meet the minimum level of prudent reserves in every year of the MTFP. However, with the achievement of modest savings from 2026/27, contributions to reserves are expected by the end of the MTFP period with minimum reserves being achieved in 2028/29.**

3. **Determination of Borrowing**

The Prudential Accounting regime enables the Service to borrow subject to meeting criteria of affordability. The draft Prudential Indicators have been established and these will be finalised for approval once decisions on the overall Capital Programme have been made.

**For the period under review the need for borrowing will be kept under consideration and will be dependent on the level of capital receipts being generated and the potential of future capital projects. Due to projects currently under consideration, the**

**capital programme will require the use of Prudential Borrowing (including internal borrowing) to sustain levels depending on the levels of capital receipts that can be generated in the future. Where borrowing is required, full option appraisals will be carried out. The financial sustainability and level of debt for the Service will be a consideration especially in terms of the timing of any external borrowing undertaken.**

## Appendix B

## BUDGET RESOLUTION

**Local Government Act 2003 Requirements**: That the comments of the Chief Finance Officer on the robustness of the estimates and adequacy of balances and reserves be noted and reflected in the decisions made by the Commissioner in making the following budget determination for 2025/26.

**Revenue Estimates 2025/26:** That CCFRA net **Budget Requirement** of **£30,111,845** be approved.

**Council Tax Base 2025/26:** That it is noted that the Council Tax base has been calculated at the amount of 189,857.46 for 2025/26. This is the total of the tax bases calculated by the Unitary Councils as required by regulation.

**Budget Requirement:** That the following amounts are calculated by the Commissioner for the 2025/26 financial year:

| Ref | 2025/26 Amount | Description |
|---|---|---|
| (a) | 35,877,195 | being the total of gross expenditure |
| (b) | (4,381,200) | being the total of income from specific grants, fees and charges |
| (c) | (1,384,150) | bring the contribution to / (from) Reserves |
| (d) | 30,111,845 | being the Budget Requirement for the year to be met from Council Tax and External Finance |
| (e) | 4,764,982 | Being the total the Commssioner estimates will be received from external financing (RSG) |
| (f) | 6,638,940 | Being the total of income received from Retained Business Rates Less the Business Rates Collection Fund Deficit |
| (g) | 65,819 | being the net surplus/(deficit) on Council Collection Funds |
| (h) | 18,642,104 | being the Council Tax requirement (the budget requirement less the collection fund surplus/(deficit) and external finance) |
| (i) | 98.19 | being the basic amount of Council Tax for the year (the council tax requirement divided by the taxbase) |
| | | |

Valuation Bands and Calculation of the amount of Precept payable by each billing authority:

| Valuation Band | Precept 2025/26 Amount | Proportion |
|---|---|---|
| Band A | 65.46 | 6/9ths |
| Band B | 76.37 | 7/9ths |
| Band C | 87.28 | 8/9ths |
| Band D | **98.19** | 9/9ths |
| Band E | 120.01 | 11/9ths |
| Band F | 141.83 | 13/9ths |
| Band G | 163.65 | 15/9ths |
| Band H | 196.38 | 18/9ths |

| Billing Authority | TaxBase | Precept (Band D) (£) | Amount Payable (£) |
|---|---|---|---|
| Cumberland Council | 93,697.66 | 98.19 | 9,200,173 |
| Westmorland and Furness Council | 96,159.80 | 98.19 | 9,441,931 |
| Total | 189,857.46 | 93.24 | 18,642,104 |