

**NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL**

**5 February 2025**

**REPORT BY THE POLICE, FIRE AND CRIME COMMISSIONER (PFCC)**

**AND THE CHIEF FINANCE OFFICER**

**PFCC PROPOSED FIRE PRECEPT 2025/26**

PURPOSE OF THE REPORT

1. To propose the 2025/26 Council Tax Precept for **Northamptonshire Commissioner Fire and Rescue Authority (NCFRA)**.
2. To provide information in respect of the revenue budget, capital programme, reserves and Medium-Term Financial Plan (MTFP) to provide context for the precept proposal.

RECOMMENDATION

1. The Police, Fire and Crime Panel is **RECOMMENDED** to endorse:

**The proposal to increase the 2025/26 Fire Precept by £5 per annum to £80.39 for Band D Council Tax (from £75.39 in 2024/25). This is an increase of around 10 pence per week.**

1. Note the information presented in this report, including:
   1. The statement of the Section 151, Chief Finance Officer as required by Section 25 of the Local Government Act 2003 regarding the robustness of the budget, the MTFP and the adequacy of financial reserves (Appendix C).
   2. A £5 Band D Precept increase provides a total 2025/26 net budget envelope of **£33.723m,** of which **£21.202m** is from the precept.
   3. The current and future risks, challenges, uncertainties and opportunities included in the precept proposal, together with the financial and operational mitigations.
   4. Any changes required after the precept has been set, by Government grant alterations in the final settlement or amended council tax base and surplus/deficit figures by the collecting authorities, may be balanced either through efficiency savings or through a transfer to/from reserves.
   5. That when received, any variations from business rates notified by the unitary authorities will be balanced by the smoothing reserve.
   6. The current MTFP and the anticipated savings required.
   7. The capital programme and reserves strategy.

EXECUTIVE SUMMARY

1. This report details the 2025/26 precept proposal for the Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) which was established on 1st January 2019.
2. The report and proposal are the culmination of several months’ work by the Office of the Police, Fire and Crime Commissioner (OPFCC), the Joint Finance Team and Fire colleagues. It also includes information provided by the two unitary authorities and takes account of public and stakeholder consultation.
3. NCFRA has considered the local government provisional settlement which set out government expectations, current and future funding levels, the pre-budget engagement and the outcome of the public survey.
4. The PFCC and the s151 Officer are grateful for the updates provided by colleagues in the unitary authorities in respect of the taxbase and council tax collection fund.
5. The proposals are set in a context of the current economic climate.
6. Despite challenges, the budget is balanced for 2025/26 with a funded capital programme and an adequate level of reserves in place. However, achieving this across the medium term will be more challenging. Prudent assumptions of future income streams have been used which identify the need for future efficiencies.
7. The PFCC has conducted, and been informed by, a survey of Northamptonshire residents to gain feedback on both the Public Safety Plan and the precept intentions. The results of the survey are summarised in this report and will be available on the PFCC website in due course.
8. In order to achieve the missions set out in the new ‘Safe and Sound’ Public Safety Plan, the PFCC is working with the Service to ensure the Fire Strategy, known as the Community Risk Management Plan (CRMP), is in alignment. The missions, expanded later in this report, are:
   1. Visible and Accessible Community Services
   2. Professionalism and Standards
   3. Stronger Public Safety Partnerships
9. The budget and reserves strategy includes funds to support delivery of transformational projects such as ‘Your Future Service’ which will optimise productivity and efficiency and deliver the best possible service to the public. In 2025/26 there is £0.25m in base budget for in-year innovation and £1m ringfenced in earmarked reserves.
10. The s151 Officer has reviewed the adequacy and level of reserves to ensure that funds are still available to support investment in innovative solutions and ensure the level is adequate to meet one-off short term funding shortfalls if savings and efficiencies are not identified.
11. Given the legacy of under-investment prior to 2019, the capital programme investment requirements continue to be significant. Budget of £300k is allocated annually to support capital expenditure on the shorter life assets to minimise future borrowing costs.
12. Fire governance transferred to the Northamptonshire PFCC on the 1st January 2019. The PFCC is currently one of five in the country and is one of only two to transfer governance from a county council.
13. As outlined later in this report, Northamptonshire is still one of the lowest funded Fire and Rescue Authorities (FRAs) in the country. Precept flexibility is gratefully received but is afforded to all authorities so does not address the disparity between Northamptonshire and other FRAs. In considering the Fire budget and proposed precept for 2025/26, the PFCC considered this national context and NCFRA’s lower precept, core spending power and reserves position relative to others.
14. The budget and precept recognise the importance of collaborative working with Police and the OPFCC, with enabling services support areas embedded across Fire and Policing under the leadership and direction of the Joint Assistant Chief Officer.
15. The PFCC requires both police and fire services to actively seek opportunities to work together to deliver more efficient and effective public services and in 2025/26 it is intended that opportunities bring together further functions will continue to be explored, and that existing shared arrangements are regularly reviewed and optimised. An Enabling Services Board, attended by both Chiefs is in place to monitor joint arrangements and to identify further opportunities for collaboration.
16. As there is only a one year settlement and minimal indication of future funding for Fire and Rescue Authorities, the MTFP has been prepared on prudent funding assumptions and shows that even with a £5 precept increase there are financial challenges ahead in future years. The Chief Fire Officer will continue to work with the PFCC on plans to meet these shortfalls.

PRECEPT PROPOSAL

1. **After careful consideration of the factors outlined in this report, the PFCC proposes a precept increase of £5 a year (10 pence per week) to £80.39 for a Band D property. This will enable Fire to maintain the investment in firefighters, push forward structural improvements, maintain an adequate level of reserves and deliver against the new Public Safety Plan.**
2. The PFCC appreciates the impact on the taxpayer. Whilst this is a pressure on households, the PFCC needs to ensure that fire has the resources it needs to meet the current and future spending challenges, but also reflects the current financial climate and the views of those who took part in the precept survey.
3. The PFCC is grateful to all those who took part in the survey and their willingness to pay more in order to safeguard and develop policing in the county.

PUBLIC SAFETY PLAN – ‘SAFE AND SOUND’

1. A new 5-year strategic plan has been developed by the PFCC to set out priorities for how police and fire services keep our communities safe. This followed significant engagement across the county that the PFCC has called the ‘Big Conversation’ and sets out three missions:
   1. Visible and Accessible Community Services
   2. Professionalism and Standards
   3. Stronger Public Safety Partnerships
2. The PFCC said:

“The Big Conversation told me very clearly that people just want to feel safer. They want to know that police, fire, and all the public safety partners will be there when they need them.

Trust and confidence is such a big issue for the emergency services, and people want to know that their local services will listen to their concerns and take them seriously, and always work to the highest standards.

That’s why this strategic plan prioritises visible and accessible local policing, fire and rescue professionals who are fully engaged in their local communities and helping people to protect themselves from risk, improved standards across the board, and partners working together with just one aim, a safe and sound Northamptonshire.”

1. The 2025/26 budget has been built to support the Plan:
2. **Visible and Accessible Community Services** – this means capitalising on the service’s unique presence in our communities to maximise the impact of the prevention and protection activity that we know to be crucial. Our fire and rescue service has a strong record of reducing fires and could further extend its reach into all our communities. By working with fire leaders to refresh the Community Risk Management Plan and deliver on the Your Future Service transformation programme, we will both improve response times to the highest risk incidents and enable the service to take its place at the heart of the community. This will mean opening up fire stations to the public and making the best use of an extensive estate as a community asset, bringing highly skilled fire professionals out of the station and into the community wherever possible. There is more that they could do to protect communities and prevent harm, including closer work with other services. Inspection and national reports tell us how critical this focus on prevention, protection and supporting the vulnerable must be for a modern service.
3. **Professionalism and Standards** – this means delivering on our *Serving with Pride* strategy, which seeks to support fire professionals to create the open, inclusive workplace that we know they want to see. Independent inspection flagged concerns but said that we are on the right path to improve things. There is more to do to ensure that people at all levels of our service, both frontline staff and those who support them, treat each other with respect and put the public first. As with policing, there should be a strong focus on wellbeing at work for fire and rescue – with safe working practices and support for people to develop as leaders.
4. **Stronger Public Safety Partnerships** – this means resetting the accountability relationship that service leaders have with the PFCC and to provide clearer support and challenge in driving performance improvement. The OPFCC’s role in managing complaints and customer service will be deepened so that there can be even more learning from the community’s experience of police and fire.

The OPFCC will also focus on diligent, financially sound management of our assets and will use transparency and audit to gain assurance that public money is spent wisely.

Whilst I am very clear that they must remain two distinct operationally independent services, I will also challenge the Chief Officers to maximise the scope for collaboration with each other and partnerships with the full range of bodies who can impact public safety. Northamptonshire has been at the leading edge of emergency service collaboration, and I want to explore how we can work even more efficiently together, as well as better serving the vulnerable in areas such a modern slavery or domestic abuse.

I want to see our emergency services involved in great collaborative work at the local level through parishes and local area partnerships. And when it comes to our estate, I want to see high quality, modern facilities for our staff that are accessible to the public, where possible, or which play an active role in the community.

1. The precept proposal will enable:
   1. Maintenance of sufficient firefighter, prevention and protection staff numbers and a programme of recruitment that takes positive action to improve diversity and helps the workforce reflect the communities it serves.
   2. Funding of resources to push forward the *Your Future Service* programme along with a budget for in-year investment that will give the Chief Fire Officer scope to develop innovative practice as opportunities arise during the year.
   3. A capital Estates programme that provides premises that are fit for purpose, safe for all staff and accessible, providing multi-agency and community spaces where possible.
   4. Continued funding and investment in a programme of internal audit and the Joint Independent Audit Committee.
   5. Continued investment in Enabling Services across Police and Fire. This includes resources in the Commercial Team that focusses on more than just compliant procurement – they also deliver on sustainability, social value and value-for-money.

PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT

1. A breakdown of anticipated grant funding and proposed precept funding compared to the previous year for Northamptonshire is as follows:

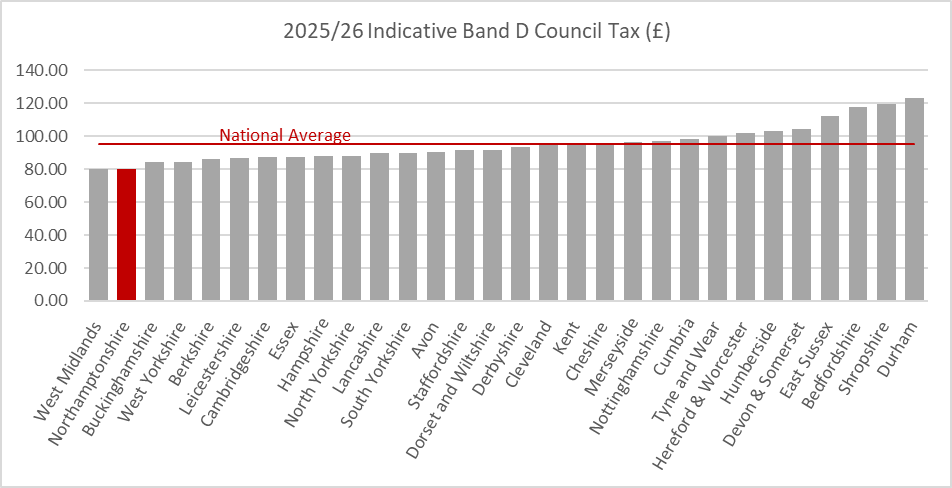
|  |  |  |
| --- | --- | --- |
| **2024/25 £m** | **Funding** | **2025/26 £m** |
| 3.944 | Revenue Support Grant | 4.013 |
| 1.186 | Pensions Grant | 1.186 |
| 1.479 | Top Up Grant | 1.504 |
| 0.034 | Services Grant | - |
| 0.231 | Funding Guarantee | - |
| 1.089 | S31 Grant | 1.132 |
| - | National Insurance Reimbursement | 0.181 |
| 3.686 | Business Rates | 4.294 |
| **11.650** | **Total Grant Funding** | **12.310** |
|  |  |  |
| 19.489 | Precept | 21.202 |
| 0.315 | Collection Fund Surplus | 0.211 |
| **19.804** | **Total Precept and Collection Fund** | **21.413** |
|  |  |  |
| **31.454** | **TOTAL FUNDING** | **33.723** |

*NB: Estimated Business Rates – At the time of writing, statutory deadlines are not yet due.*

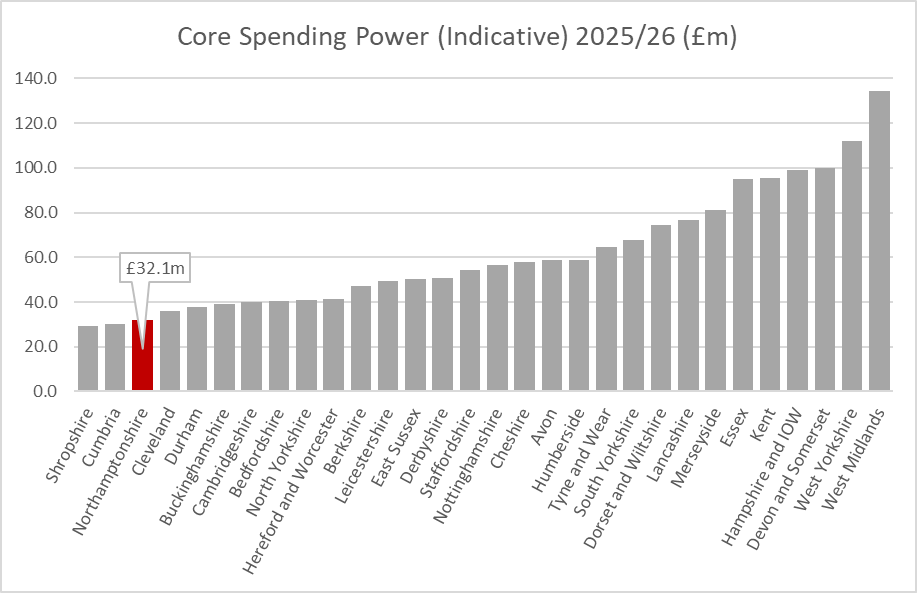
1. The provisional Local Government Finance Settlement was announced by the Minister for Local Government and English Devolution, Jim McMahon in a written ministerial statement on 18th December 2024. The announcement set out provisional allocations for 2025/26.
2. The provisional settlement publication marked the start of a four-week consultation which closed on 10th January 2025. At the time of writing, the date of the final settlement is unknown.
3. A policy statement had been shared on 28th November 2024 which contained some indications of the methodology for the provisional settlement, but not enough information was included to provide us with a provisional settlement figure.
4. The national Technical Support Team undertook an analysis of the day’s main announcements and provided a briefing including the following:
   1. Fire and Rescue Authorities’ precept flexibility at £5.
   2. Standalone Fire and Rescue Authorities (FRAs) Core Spending Power rises by 2.8% in 2025/26. This assumes that all Authorities utilise the full £5 council tax flexibility which raises Council Tax Requirement by 6.7%.
   3. Standalone FRAs are not eligible for the one-off Recovery Grant.
   4. FRA Core Spending Power is now made up of only Settlement Funding Assessment (inc. Under-indexation Compensation) and Council Tax.
   5. NICs Compensation to total £515m for all local government (inc. FRAs) based on Net Current Expenditure, which is not expected to fully cover costs. The methodology for distributing this has been provided but no firm figures – **around £0.181m is estimated for Northamptonshire which is around half of the amount required.**
   6. Revenue Support Grant will increase by CPI (1.7%) – **around £0.069m for Northamptonshire. However, contrary to previous assumptions, the Pension Grant has not been increased in line with inflation.**
   7. In recent years, the Minimum Funding Guarantee set a minimum percentage increase in Core Spending Power before any decision they make about organisational efficiencies, use of reserves, and council tax levels. For 2025/26, this is effectively scrapped. Instead, the government “guarantee[s] that no local authority will see a reduction in their Core Spending Power in 2025/26 after taking account of any increase in council tax levels by applying a funding floor.” This methodology means that no standalone FRA is in receipt of Funding Floor grant for 2025/26. **Northamptonshire previously received £0.231m under last year’s methodology – nil for 2025/26.**
   8. Across Local Authorities, the ‘Services Grant’ in 2022/23 was £822m, reducing to £483m in 2023/24 and £87m in 2024/25. As announced in the Policy Statement, this will be removed entirely from 2025/26. **Northamptonshire received £0.034m in Service Grant last year – nil for 2025/26.**
5. NCFRA has responded to the provisional settlement consultation as part of the national NFCC response, welcoming the settlement, but highlighting the lack of capital grant, longer term funding indications, consideration of the population demographic profile affecting FRAs and recognition of future inflation in future settlements.
6. The 2025/26 budget will be around £11.0m more than the budget transferred as part of the governance changes in 2019. This equates to a revenue budget increase of over 48.6% since 2018/19. Whilst future savings are still required, the NCFRA revenue budget and the service are on a much more resilient footing.

COUNCIL TAX AND CORE SPENDING POWER – NATIONAL COMPARISON

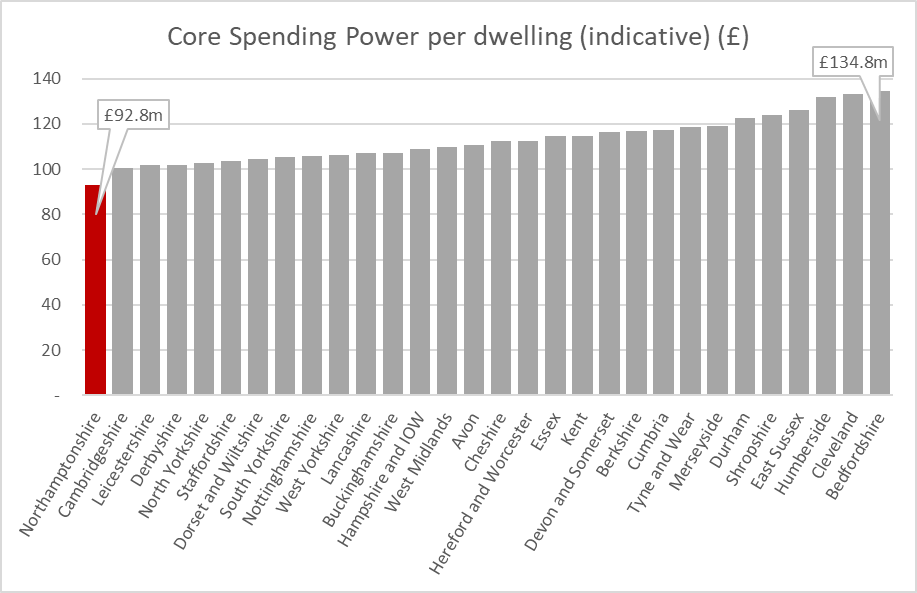
1. If all take up the precept flexibility, Band D Council Tax levels for Fire and Rescue Authorities will range between £80.20 in the West Midlands and £123.12 in Durham, with an average of £95.32 per standalone Band D property (as compared to £90.32 in 2024/25):



1. At £80.39 Northamptonshire will still be the second lowest Fire preceptor and 16% below the average precept in the country.
2. Core Spending Power (CSP) is a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement. It includes central settlements as well as business rates and assumed council tax receipts at nationally estimated levels.
3. According to provisional funding statistics, Northamptonshire has the third lowest core spending power of all standalone authorities:



1. Furthermore, when households are taken into account, Northamptonshire is reported as the lowest of all standalone authorities in terms of Core Spending Power per Dwelling:



1. It is important to note that the CSP figures include estimated, rather than the actual taxbases and business rates assumptions for authorities and does not include collection fund surplus or deficits. They also assume that all authorities increase precept by £5.

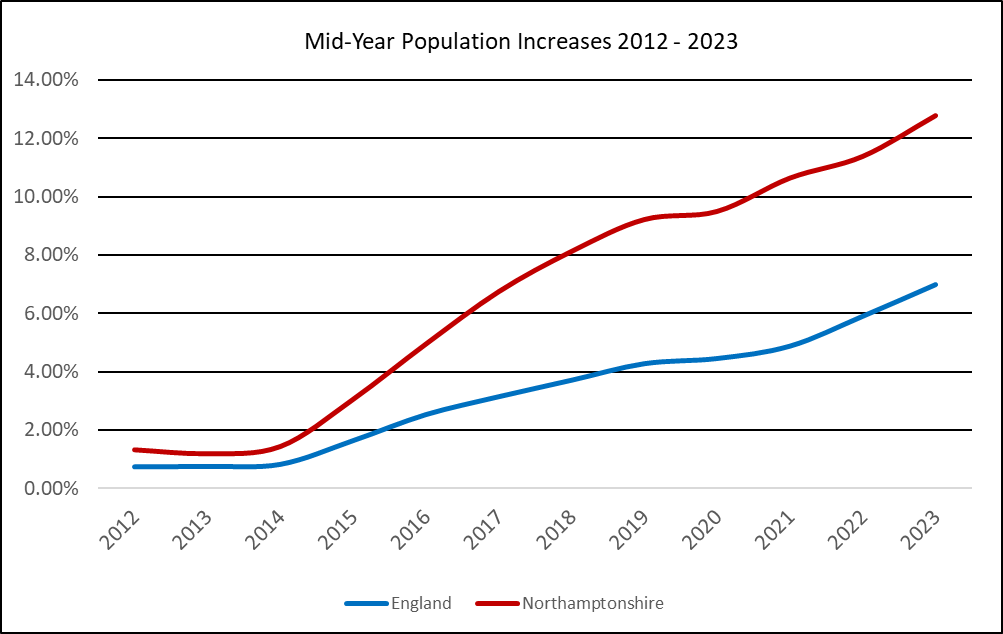
FUNDING FORMULA AND POPULATION

1. Government grants make up around 24% of Fire funding in Northamptonshire, most of this having been allocated to authorities via a national formula as part of the local authority funding settlements.
2. The current formula was updated in 2013/14 and is based on population and subject to a series of adjustments to allocate funding by both risk of incidents and the costs associated with providing fire service cover. Thus, this is allocated on a basis which has not been updated to reflect current demands or risk and does not reflect the significant growth in the county.
3. In December 2024, alongside the Provisional Settlement, MHCLG published a consultation on funding reform. The Autumn 2024 Budget announced the Government’s intention to pursue a comprehensive set of reforms to place local government in a more sustainable position, and the Autumn Budget promised a deprivation-based approach in 2025/26, followed by broader reform through a multi-year settlement from 2026/27.
4. The consultation makes the following comments specifically around funding for Fire and Rescue Authorities:

*“****There is a strong rationale for retaining a bespoke formula for fire and rescue services.*** *Fire and rescue services in England include: firefighting and rescue operations; community fire safety; and emergency planning and civil defence. These services are carried out by stand-alone fire authorities in some areas, and by upper tier authorities in other areas. This service area is distinct as it takes account of risk as well as demand factors, which justifies taking a bespoke approach.*

***The government is considering updating the existing fire and rescue Relative Needs Formula.*** *The current formula was last updated over a decade ago and used data which may no longer be reflective of the current need for some fire and rescue services. It consists of a basic allocation of funding per resident, with adjustments for coastline, population density and sparsity, deprivation, fire risk areas and community fire safety. These elements include both indicators of the risk of requiring a fire service response - such as the risk of dwelling fires occurring - and indicators of the cost of providing fire service cover, such as population sparsity. Funding for national resilience capabilities, including urban search and rescue and high-volume pumps, is distributed outside of the Settlement.”*

1. The graph below shows the population increase in Northamptonshire for the period 2012 to 2023 compared to the whole of England:

**

*Source: Mid-Year Population - Office of National Statistics*

1. Likewise, statistics provided as part of the local government settlement indicate the number of dwellings in Northamptonshire has increased by 1.2% since last year, compared to 0.8% on average for England.
2. Therefore, with a higher increase in population in Northamptonshire compared to national levels, the current formula does not reflect current challenges and a refresh of the formula is supported and a consolidated response to the consultation has been submitted by the NFCC on this basis.

COUNCIL TAXBASE AND COUNCIL TAX PRECEPT INCOME

1. The Council Tax and the level of precept is a fundamental part of the local government finance settlement and depends on both the level of the Band D precept and the taxbase – the latter being the number of properties expected to pay council tax.
2. In Fire, the precept and the surplus on the collection fund accounts for around 63% of funding, so any variations can have a significant impact.
3. Both unitary councils have advised the PFCC of their proposed taxbases for 2025/26. A comparison of the 2024/25 and 2025/26 figures reflects an average 2.02% taxbase increase (compared to 0.85% in 2024/25) as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Authority** | **2024/25 (number)** | **2025/26 (number)** | **Increase (number)** | **Increase %** |
| North | 115,847.00 | 117,585.00 | 1,738.00 | 1.50% |
| West | 142,664.60 | 146,150.30 | 3,485.70 | 2.44% |
| **TOTAL** | **258,511.60** | **263,735.30** | **5,223.70** | **2.02%** |

1. The MTFP assumes average but prudent increases in the taxbase and the s151 officers will continue to link in with West Northamptonshire and North Northamptonshire finance colleagues to ensure future forecasts align.
2. Total precept funding is a combination of the tax base and precept increase as follows:

|  |  |  |
| --- | --- | --- |
| **2024/25 £** |  | **2025/26 £** |
|  | Tax base changes |  |
| 114,778 | - North | 131,028 |
| 44,198 | - West | 262,787 |
| **158,976** |  | **393,815** |
|  | Precept Increase: |  |
| 253,705 | - North | 587,925 |
| 312,435 | - West | 730,752 |
| **566,140** |  | **1,318,677** |
|  |  |  |
| **725,116** | **Total Precept Change** | **1,712,491** |

1. The 2025/26 proposed precept increase of £5, together with the increased taxbase will generate an additional £1.712m on the base budget.

COUNCIL TAX COLLECTION FUND

1. 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 in January of each year.
2. The PFCC is appreciative of the hard work undertaken by the unitary authorities in ensuring high collection rates and in providing the information to enable their inclusion in her budget and precept considerations.
3. The unitary authorities have advised of their estimated collection fund positions for 2025/26, both reporting a surplus:

|  |  |  |
| --- | --- | --- |
| **2024/25 £m** | **NCFRA Share of Collection Fund Surplus / (Deficit)** | **2025/26 £m** |
| 0.084 | - North | 0.096 |
| 0.230 | - West | 0.116 |
| **0.315** | **Collection Fund Surplus** | **0.211** |

1. Due to statutory timescales, notification of the final collection fund surplus figures is received after the draft budgets are finalised. If this surplus results in a one-year benefit, it will be transferred to reserves to replenish some of the one-off use of reserves planned as part of the agreed balanced budget. Conversely, a deficit would be offset by in-year savings or a transfer from reserves.
2. The s151 officers will work closely with the unitary authorities throughout the year to monitor and understand any impact on the collection fund position for 2025/26 and future years.

PUBLIC CONSULTATION ON THE LEVEL OF THE PRECEPT

1. Each year, the PFCC undertakes consultation via a survey with residents of Northamptonshire to gather their views which help to inform precept intentions.
2. Having drafted the new Police, Fire and Crime Plan, it was timely to consult on both the Plan and the precept intentions that underpin it as part of the same online survey. This followed considerable consultation with communities as part the of the “big conversation” described earlier in this report.
3. The PFCC undertook the survey over the period 28th November 2024 to 5th January 2025, with the intention of reaching as many people as possible to obtain the views of a demographically representative group of the county’s population.
4. The survey was sent out to a wide range of contacts and using many different approaches as detailed in Appendix A.
5. This wide reach is set within the challenges of the limited timescale of the government funding settlement, the current cost of living climate and the fact that it was held over the festive season.
6. Interim reviews were taken on the survey to assess the reach and where appropriate, additional communications were made to key areas of the county to ensure those who wished to contribute to the survey were able to do so.
7. The PFCC would like to give particular appreciation to the commitment and engagement of the Chair and members of the Police, Fire and Crime Panel, local Councillors, MPs, community leaders and teams within the unitary authorities for their support disseminating the survey amongst local residents and contacts.
8. The online survey received 1,751 responses. This is classed as a statistically relevant sample size for the County based on a 95% level of confidence. The PFCC has considered the results of the online survey which were:
   * + **61.2% of residents were prepared to pay £5 or more if they were able to for Fire services.**
     + 31.3% were not prepared to pay any more than they do now.
     + 7.5% said they did not know.
9. The PFCC will consider the narrative comments in the survey and more detailed analysis which will be published on the PFCC website in due course.
10. Results pertaining to consultation on the Plan will be shared and published in due course when analysis is complete.
11. The OPFCC is holding a Police Fire and Crime Panel workshop on the 27th January 2025 regarding the budget and precept considerations for 2025/26, with all Panel members invited. These annual workshops commenced in 2021 and have been useful to give members a deeper understanding of the detail behind the budget and precept proposals.

**BUDGET STRATEGY – APPROACH AND SCRUTINY**

1. The budget is prepared under the Joint Finance Team using an approach which provides consistency across Fire and Police. This has enabled comparability of assumptions and principles, together with best practice, resilience and a more efficient process applied to budgeting for all services.
2. Following the preparation of the budget strategy and approach in September, briefing sessions took place with all budget holders and the strategy was shared with the Joint Independent Audit Committee (JIAC) for further scrutiny and review.
3. The budget has been prepared on a zero-base where possible, in full consultation with budget holders, aligned to the Police, Fire and Crime Plan and tested against the MTFP. This ensures that efficiencies are taken from this process where possible and that only approved increases, inflation and unavoidable pressures are built in. Detailed workings are prepared, and the format of the budget models are consistent and contain built-in checks and balances to ensure the correct information is fed through.
4. There has been a significant amount of scrutiny and challenge on the budget, and as part of these discussions and negotiations, the PFCC has sought and received assurances on the robustness of budgeting activity.
5. The table below sets out the preparation and scrutiny elements of the budgeting process:
6. At the December Accountability Board, the PFCC commended the work on proposed budgets and approved investments in principle whilst final funding information was awaited. The PFCC subsequently approved the budget subject to agreement on the precept and the sum of £0.25m for investments requested by the Chief Fire Officer. This included a commitment by the Chief Fire Officer to balance investment with meeting the savings/efficiencies challenge.

2025/26 – THE FIRE BUDGET

1. The budget for NCFRA in 2025/26 is £33.723m, an increase of over £2.2m from 2024/25 as follows:

|  |  |  |
| --- | --- | --- |
| **2024/25 £m** | **Budget Breakdown** | **2025/26 £m** |
| 18.484 | Fire Fighters | 20.159 |
| 3.068 | Staff | 3.846 |
| 1.472 | Other Employee Expenses & Contingencies | 1.157 |
| 6.399 | Other Costs | 7.334 |
| (1.204) | Income | (1.915) |
| 3.920 | Governance/Support Services | 4.234 |
| **32.139** | **OPERATIONAL BUDGET** | **34.815** |
|  |  |  |
| 0.618 | Capital Financing | 0.892 |
| 0.120 | Inflation Contingency | 0.120 |
| 0.119 | Transfer to Reserves | 0.100 |
| (0.184) | Transfer from Reserves | (0.766) |
| **0.673** | **BUDGETS MANAGED BY THE PFCC** | **0.346** |
|  |  |  |
| 0.126 | New investment proposals | 0.250 |
| (1.484) | Savings Plans | (1.688) |
| **31.454** | **TOTAL BUDGET** | **33.723** |

1. A detailed breakdown is set out in Appendix B. Key Headlines are as follows:
   1. The firefighter budget reflects the planned retirement and recruitment profile.
   2. Staff posts include roles such as Home Safety Advisers, Prevention, Protection, Control and some support staff.
   3. Other employee costs include the pay contingency, staff training, occupational health.
   4. Other non-pay budgets are based on a zero-based budget review which reflects inflationary increases and include estates, ICT, fleet, equipment and clothing.
   5. Interest income has been reviewed to reflect current interest rates and forecast cash balances.
   6. Reserves transfers reflect agreed one off drawdowns and contributions to capital, transformation and smoothing reserves.

MEDIUM TERM FINANCIAL PLAN (MTFP)

1. The MTFP covers a five-year period and is included in more detail at Appendix B. It is reviewed regularly with formal updates every 6 months. The current version is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2024/25 £m** |  | **2025/26 £m** | **2026/27 £m** | **2027/28 £m** | **2028/29 £m** | **2029/30 £m** |
| 32.938 | Expenditure | 35.411 | 37.324 | 39.535 | 41.128 | 41.815 |
| (1.484) | Savings Plans | (1.688) | (1.078) | (1.472) | (1.840) | (2.216) |
| **31.454** |  | **33.723** | **36.246** | **38.063** | **39.288** | **39.599** |
|  |  |  |  |  |  |  |
| (31.454) | Funding | (33.723) | (34.710) | (35.834) | (36.985) | (38.163) |
| **-** | **Shortfall** | **-** | **1.536** | **2.229** | **2.303** | **1.436** |

1. The impact of high inflation continues to be built in with prudent forecasts and no guarantee of future funding to meet these increases.
2. The MTFP includes a target for cashable efficiency savings each year, but these will not be sufficient to meet the shortfalls identified. Efficiencies will continue to be sought from sharing buildings, robust and shared procurement practices and sharing of resources/assets where it makes sense to do so. The Chief Fire Officer has already started work to look at a comprehensive savings plan.
3. Despite future shortfalls forecast in the MTFP, in the unlikely event that further efficiencies could not be found, the budget can be balanced in the short term by the use of reserves. However, the use of reserves is not a permanent solution, and the PFCC and Chief Fire Officer will continue to seek efficiencies to ensure the budgets are balanced.
4. The key assumptions used to estimate the financial challenge for the medium term are:
   1. Precept will increase by £5 in 2025/26 and £2.50 each year thereafter. No information is yet available about referendum limits beyond 2025/26.
   2. Prudent funding assumptions have been made in respect of government funding, business rates, taxbase levels and council tax collection rates. More information on funding in future years has been promised by the government in the coming months, and colleagues will continue to liaise with the local authorities to align assumptions for council taxbase/collection.
   3. In line with previous assumptions, pay increase estimates are assumed at an average of 2% per year for next 3 years. There has not yet been any indication of government funding to support any increases above this level.
   4. Investment requirements can be prioritised and met from within the revenue budget or capital programme. Where appropriate, the PFCC will use reserves to pump prime investment initiatives. Any multi-year investments will be subject to review each year and may require additional savings to embed in the base budget longer term.
   5. Further borrowing beyond the capital programme is not required.
   6. It is assumed that no additional unfunded priorities or responsibilities will be given to the PFCC and Chief Fire Officer to deliver.

**THE FINANCIAL CHALLENGE – FUTURE RISKS, CHALLENGES AND UNCERTAINTIES**

1. The impact of a different inflation assumptions to that estimated in the MTFP are as follows:
   1. Every 1% reduction in grant equates to circa £0.12m per annum
   2. Every 1% in Council Tax equates to circa £0.21m per annum
   3. Every £1 in Council Tax equates to £0.26m per annum
   4. Every 1% in Pay equates to circa £0.25m in a full year
   5. Every 1% non-pay inflation equates to £0.10m per annum
2. Prudent forecasts have been included where information which has not yet been finalised. Any variations between the provisional and final settlement, council tax or the collection fund will be balanced with reserves.
3. There are some further financial and operational risks, challenges and mitigations as follows:
   1. Inflation uncertainty including pay awards. Mindful of this, the budget includes an inflation contingency for the Chief Fire Officer and the PFCC holds a further £0.12m to meet other inflationary pressures.
   2. Strategies for estates, fleet, digital and operational equipment are in place which inform the capital programme and revenue budgets. The Estates Strategy has been reviewed and updated throughout the MTFP and built into longer term financial forecasts.
   3. Condition surveys for the Fire estate inform the production of maintenance and repair programmes for all Fire sites.
   4. The Chief Fire Officer is leading on the *Your Future Service* programme that seeks to use findings of the Emergency Cover Review to make improvements for the public with a service that is as efficient and effective as possible. Funds are available to drive this significant piece of work forward.
   5. Joint support services with Police managed by a Joint Assistant Chief Officer are embedded within the service to ensure that the Authority has the right range and resilience of skills and expertise to build capacity and support transformative as well as business-as-usual activities.
   6. Any potential for industrial action requires contingency arrangements have previously been managed within year or from reserves. That position remains and any alternative options will be costed, and funding set aside from within the General Reserve.

CAPITAL PROGRAMME

1. A Capital Programme has been approved as part of the budget setting process, which identifies the requirements across fleet, estates, ICT and operational equipment.
2. The approved capital programme is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** | **2025/26 £m** | **2026/27 £m** | **2027/28 £m** | **2028/29 £m** | **2029/30 £m** |
| Estates | 2.4 | 14.8 | 0.4 | 7.9 | 7.9 |
| ICT | 1.8 | 0.4 | 0.4 | 0.9 | 0.3 |
| Vehicles & Operational Equipment | 2.1 | 1.4 | 0.9 | 0.8 | 0.4 |
| **TOTAL** | **6.3** | **16.6** | **1.7** | **9.6** | **8.6** |

1. This includes provision for the latest agreed estates masterplan, continuing ambitions for joint vehicle maintenance and specialist training premises with Police along with ensuring buildings are fit-for-purpose, safe and accessible in line with the missions set out in the Public Safety Plan.
2. Estates costs include essential refurbishments and funding for appropriate welfare facilities in Fire buildings.
3. Since the governance transfer, good progress has been made on the legacy capital programme requirements and continues to fund the replacement of fire appliances, essential operational equipment and ICT systems. This work continues.
4. Costs are often occurred ahead of any efficiencies or disposals, therefore, the PFCC will continue to push to ensure that any disposals included in the plans are made in a timely and efficient manner to ensure the full benefits can be realised.
5. The PFCC is required to approve a Treasury Management Strategy each year, setting out the policy and approach to managing investments, borrowing and cashflow, and that decisions are taken in accordance with good professional practice. This approach is required by the Prudential Code and the Code of Treasury Management published by the Chartered Institute of Public Finance and Accountancy (CIPFA). It ensures that the capital investment plans of local authorities are affordable, prudent and sustainable. The Joint Independent Audit Committee (JIAC) will consider this document at their March meeting prior to it being placed on the OPFCC website.

DEVELOPER CONTRIBUTIONS (S106)

1. An experienced Infrastructure Planning Manager is employed jointly across police and fire as part of the Joint Estates Team. Their role includes working with the unitary authorities to ensure where possible we obtain appropriate funds from developers under Section 106 of the Town and Country Planning Act 1990.
2. As present, we are aware of up to an estimated £0.6m for Police and £0.2m for Fire for various developments, but the timing of when these amounts can be drawn down will depend on a number of factors, including milestone points in building progress.
3. More work is ongoing to maximise these funds, and we await progress on legislative changes that would give police and fire more certainty around these contributions.

RESERVES

1. In considering the budget, the MTFP and level of precept options, it is important to look closely at the size, level and type of reserves held by NCFRA to ensure that they are adequate to cover the purposes for which they are held and to provide some safeguards against the future risks identified within the budget. There is also a need to ensure they are not excessive.
2. NCFRA transferred on the 1st January 2019 with no reserves and set in place a three year financial stability plan to build reserves and made good progress in doing so. By 2022/23 they had exceeded the minimum level of general reserves as set out in the financial plans forecast at the time of the governance transfer.
3. The updated Reserves Strategy is attached at Appendix D and will be published on the PFCC’s website for transparency.
4. Two types of reserve are held, as follows:
5. General Reserve – There is a general reserve which is estimated at 31st March 2025 at **£2.0m**. This represents around 6% of total funding for 2025/26 and aligns to the guideline level. The reserves strategy ensures that the general reserve will remain within guideline minimum levels over the MTFP. It is prudent to have such a reserve at this level to enable the organisation to withstand unexpected events which may have financial implications.
6. Earmarked Reserves – As at 31st March 2025, the forecast balances on the earmarked capital reserves are **£1.97m** and revenue are **£2.79m**.
7. NCFRA has made good progress in establishing reserves and it is the view of the s151 officer that general and earmarked reserves are now at an adequate level. Whilst plans are in place to utilise some earmarked funds, it will be prudent to replenish them where possible for additional resilience. This will assist in smoothing potential funding impacts and to support the funding of equipment and transformation activities.

ROBUSTNESS OF THE BUDGET – STATEMENT OF THE S151 CHIEF FINANCE OFFICER

1. Section 25 of the Local Government Act 2003 places a duty on the s151 Officer to make a report to the authority on:
   1. The robustness of the estimates included within the budget.
   2. The adequacy of the reserves and balances.
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.
3. In their considerations, the s151 Officer is mindful of other associated statutory safeguards designed to support the authority:
   1. 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.
   2. Sections 32, 43 & 93 of the Local Government Finance Act 1992 which requires the authority to set a balanced budget.
   3. 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.
   4. The external auditor’s duty to assess the adequacy of the authority’s proper arrangements to secure economy, efficiency and effectiveness (‘value for money’)
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.
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.
6. The Joint Finance Team have worked closely with the Fire Senior Leadership Team, budget holders and the s151 Officer to deliver the proposed budget and savings plan, ensuring that effective scrutiny and challenge has taken place throughout. The s151 Officer has undertaken scrutiny and strategic review of the proposals with the PFCC on two formal occasions and has been updated regularly throughout the budget cycle as appropriate.
7. 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.
8. The Section 25 Statement of the s151 Chief Finance Officer for Northamptonshire Fire and Rescue Authority is included at Appendix C.

**LIST OF APPENDICES**

Appendix A - Consultation on the Precept

Appendix B - Medium Term Financial Plan

Appendix C - Section 25 Report of the Section 151 Chief Finance Officer

Appendix D - Reserves Strategy

**PERSON TO CONTACT**

Mr V Ashcroft, Chief Finance Officer,

**Office of the Police, Fire and Crime Commissioner**

**Northamptonshire Commissioner Fire and Rescue Authority**

**APPENDIX A**

**Survey on the Precept**

**Context**

This year’s precept survey ran in conjunction with questions on the new Public Safety Plan for the county. This was due to the unavoidable timings of both, following the election of the new Police, Fire and Crime Commissioner in May 2024, and also in the context of the findings of the “Big Conversation” consultation, where people told us they preferred to see questions about the council tax funding put in the context of the actions they will fund.

The joint consultation supported residents’ thinking in demonstrating how differing levels of precepts would impact on police and firefighter staff numbers, the level of service they could provide, and the delivery of strategic priorities within the Plan.

The survey went live on 28th November – running until 5th January – and received 1,751 responses. This was a slight decrease on last year (1,997) but still the second highest number of responses the consultation has ever received.

**Communications Activity**

Prior to embarking on the consultation, the survey questions and planned communications activity were benchmarked against consultations by other offices nationally. Others reported facing challenging circumstances when it came to public engagement and dwindling levels of interaction online.

Activity from the Communications Team included:

* News release sent to more than 100 journalists across various different newsrooms both locally and nationally.
* News release shared on external OPFCC, Police and Fire websites.
* Internal message sent on both Police and Fire intranets, and emailed to all OPFCC staff, asking them to encourage people to fill in the survey at community events.
* Message sent to more than 40,000 people on 2nd December on Northamptonshire Talking (Police) account, which was read by 18,855 people, with 578 interactions (rating, sharing, reading).
* Link to survey and request to cascade sent to all 154 unitary councillors in West Northamptonshire and North Northamptonshire, as well as respective Chief Executives.
* News release shared with all Northamptonshire MPs with request to share it with their local constituents.
* Release and survey shared with 272 contacts at parish councils across the county, asking them to replicate the survey along with a specially designed banner on their websites. A number of councils, such as Paulerspury, shared the content in their local newsletter.
* Shared release and survey with contacts at more than 40 schools across the county, requesting they encourage fellow staff and parents to complete the survey.
* News release and link to survey sent to 65 local organisations (including Women’s Institute, Brightwayz and more) and Community Safety forums.
* Shared with businesses through Northampton Town BID, Retail Crime Partnership and West Northamptonshire Council.
* Emailed the consultation to Independent Custody Visitors and members of the Independent Advisory Group.
* Shared news release and survey with contacts at various hotels across the county.
* Shared consultation with rural groups including NFU Mutual, Canal & Rivers Trust and Northants Acre, and asked them to share with their rural networks.
* Second message sent on Northamptonshire Talking from OPFCC account on 3rd January to more than 29,000 – read by 14,292 people, with 480 interactions.

There was also a greater emphasis this year on face-to-face communication from senior leaders, to gain quality with activities including:

* Focus group session with students at the University of Northampton, attended by the Commissioner and Deputy Commissioner.
* A bespoke virtual meeting with Parish Local Representatives (PLRs) and Parish Councils, attended by the Commissioner and Deputy Commissioner.
* A meeting with church and faith leaders hosted by the Deputy Commissioner.
* Beat Bus sessions with PCSOs engaging with members of the public in Kislingbury and other villages in rural South Northamptonshire.
* The Commissioner appearing on BBC Radio Northampton to discuss the consultation and take questions from members of the public on 17th December.
* Physical assets such as posters, leaflets and business cards were produced and distributed by partners, including fire crews handing them out and discussing the consultation with members of the public at events in Corby, Oundle and Thrapston over the Christmas period, as well as PCSOs encouraging visitors to the Beat Bus to complete the survey.

Full communications activities as follows:

|  |  |
| --- | --- |
| **Audience** | **Reach** |
| **Stakeholders**   * Northamptonshire Talking * Parish Councils and Town Councils * Councillors for unitary authorities (West Northamptonshire and North Northamptonshire Councils) * Chief Executives of unitary councils * Police, Fire and Crime Panel members * MPs * Local organisations (such as WI) * Schools * Businesses (including Retail Crime Partnership) * Independent Custody Visitors * Independent Advisory Group members * Road Safety Panel * Rural interest groups (including NFU, Canal & Rivers Trust) * Hotels * Local and hyper local publications * Neighbourhood Watch Management Committee * Community Safety Managers at local authorities * Joint Action Groups * Northamptonshire Association of Local Councils * Police Liaison Representatives * Local Criminal Justice Boards | More than 33,000 emails were read from alerts sent on Northamptonshire Talking.  Emails were sent to all 154 unitary councillors, and 272 contacts at parish councils across the county, asking them to cascade and share the consultation. |
| **Internal**   * News item on Forcenet – The Northamptonshire Police intranet viewed by all officers and staff * All staff email to OPFCC * News item on Northamptonshire Fire and Rescue Service intranet for Firefighters and staff – repeated twice during the survey period * Daily Orders – link to item on Forcenet directing police staff to survey * Chief Officer vlog and blogs for both Northamptonshire Police and Northamptonshire Fire and Rescue Service * Splash screen survey message on every computer across OPFCC, Fire and Police * Repeated messaging during bi-weekly Pacesetter meetings for senior firefighters with requests to cascade | News release was published on respective intranets on 28th November and reminder news release was published on 31st December.  Intranet articles and all staff email sent to more than 3,000 police officers, police staff, firefighters, fire staff, enabling services staff and OPFCC staff.  Physical assets such as posters, business cards and leaflets were available for police staff and firefighters to distribute at public events they were attending.  529 views (police vlog) |
| **Key Internal Stakeholders**   * Northamptonshire Police Chief Officers * Northamptonshire Fire and Rescue Service (NFRS) Senior Leadership Team * Directors in the Office of the Police, Fire and Crime Commissioner (OPFCC) * OPFCC Customer Service team * Police Federation * Unison * Police Superintendents’ Association * Voice | Email request to cascade to their members/contacts/networks. |
| **Media**   * A news release was issued to all local and regional media across Northamptonshire. * News release was sent to hyper local publications. * The survey was trailed in the December edition of the PFCC newsletter. * The Commissioner appeared on BBC Radio Northampton on 17th December to discuss the survey and take questions from members of the public. | The news release was sent to more than 20 newsrooms and other local news sites, and approximately 100 individual reporters.  There was media coverage in Northampton Chronicle & Echo (29th November) and BBC News online (17th December). |
| **Digital and Social**   * Meta (paid £89.11) * TikTok (paid £106.50) * Facebook * Next Door * LinkedIn * Instagram * Northamptonshire Talking * X (formerly known as Twitter) * Google Ads ie. YouTube (paid 19p) | * 10,299 impressions   424 link clicks   * 35,938 impressions   296 link clicks   * 20 posts   24,200 views   * 8 posts   64,850 impressions   * 2 posts   178 impressions   * 7 posts   2,290 impressions   * 2 posts   33,147 emails read   * 29 posts   16,871 impressions   * 230 impressions |

**APPENDIX B**

**Medium Term Financial Plan 2025/26 - 2029/30**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | ***MTFP - £5 Precept*** | | | | |
| **2024/25** |  | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** |
| **£'000** |  | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| 18,484 | Fire Fighters | 20,159 | 21,245 | 22,789 | 23,505 | 24,076 |
| 3,068 | Staff | 3,846 | 3,595 | 3,593 | 3,582 | 3,565 |
| 101 | Other Pension Costs | 516 | 527 | 537 | 544 | 549 |
| 1,371 | Other Employee Costs/Contingencies | 641 | 639 | 637 | 635 | 633 |
| 2,088 | Estates | 2,264 | 2,616 | 2,516 | 2,595 | 2,391 |
| 1,911 | ICT | 2,119 | 2,234 | 2,320 | 2,438 | 2,466 |
| 609 | Vehicles | 596 | 609 | 621 | 634 | 646 |
| 1,001 | Equipment and Clothing | 1,119 | 1,396 | 1,424 | 1,453 | 1,482 |
| 790 | Other Non-Pay | 1,236 | 519 | 532 | 545 | 558 |
| (1,204) | Income | (1,915) | (1,969) | (2,044) | (2,123) | (2,209) |
| 3,920 | Governance/Support Services | 4,234 | 4,377 | 4,467 | 4,558 | 4,650 |
| **32,139** | **OPERATIONAL BUDGET** | **34,815** | **35,788** | **37,392** | **38,366** | **38,807** |
|  |  |  |  |  |  |  |
| 259 | Capital Financing - MRP | 451 | 599 | 739 | 861 | 936 |
| 59 | Capital Financing - Interest | 141 | 417 | 586 | 881 | 1,052 |
| 300 | Capital Financing - RCCO | 300 | 300 | 300 | 300 | 300 |
| 120 | Inflation contingency | 120 | 120 | 120 | 120 | 120 |
| 119 | Transfer to Reserves | 100 | 100 | 100 | 100 | 100 |
| (184) | Transfer from Reserves | (766) | (500) | (202) | - | - |
| **673** | **OTHER (Budgets managed by the OPFCC)** | **346** | **1,036** | **1,643** | **2,262** | **2,508** |
|  |  |  |  |  |  |  |
| 126 | New Investment Proposals | 250 | 500 | 500 | 500 | 500 |
| (1,484) | Savings Plans | (1,688) | (1,078) | (1,472) | (1,840) | (2,216) |
|  |  |  |  |  |  |  |
| **31,454** | **TOTAL** | **33,723** | **36,246** | **38,063** | **39,288** | **39,599** |
|  |  |  |  |  |  |  |
|  | **FUNDING** |  |  |  |  |  |
| (1,479) | Top Up Grant | (1,504) | (1,519) | (1,534) | (1,549) | (1,565) |
| (1,186) | Pension Grant | (1,186) | (1,186) | (1,186) | (1,186) | (1,186) |
| (3,944) | Revenue Support Grant | (4,013) | (4,053) | (4,094) | (4,135) | (4,176) |
| (3,686) | Business Rates | (4,294) | (4,337) | (4,380) | (4,424) | (4,469) |
| (231) | Funding Guarantee | - | - | - | - | - |
| (1,089) | S31 Grant - Compensation | (1,132) | (1,143) | (1,155) | (1,166) | (1,178) |
| (34) | Services Grant | - | - | - | - | - |
| - | National Insurance Reimbursement | (181) | (182) | (184) | (186) | (188) |
| (19,489) | Precept | (21,202) | (22,189) | (23,201) | (24,239) | (25,302) |
| (315) | Collection Fund (Surplus)/Deficit | (211) | (100) | (100) | (100) | (100) |
| **(31,454)** | **TOTAL FUNDING** | **(33,723)** | **(34,710)** | **(35,835)** | **(36,985)** | **(38,163)** |
|  |  |  |  |  |  |  |
| **-** | **FUNDING (SURPLUS) / DEFICIT** | **-** | **1,536** | **2,228** | **2,303** | **1,435** |
|  | **PRECEPT** |  |  |  |  |  |
| £75.39 | Band D Council Tax | £80.39 | £82.89 | £85.39 | £87.89 | £90.39 |
| 258,512 | Tax Base | 263,735 | 267,691 | 271,707 | 275,782 | 279,919 |
|  |  |  |  |  |  |  |
|  | **ASSUMPTIONS** |  |  |  |  |  |
|  | Other Grants | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
|  | Revenue Support Grant | 1.70% | 1.00% | 1.00% | 1.00% | 1.00% |
|  | Business Rates | 1.70% | 1.00% | 1.00% | 1.00% | 1.00% |
|  | Precept (%) | 6.63% | 3.11% | 3.02% | 2.93% | 2.84% |
|  | Precept (£) | £5.00 | £2.50 | £2.50 | £2.50 | £2.50 |
|  | Tax Base Increase | 1.96% | 1.50% | 1.50% | 1.50% | 1.50% |
|  | Pay Awards | 2.00% | 2.00% | 2.00% | 1.00% | 1.00% |
|  | Inflation Contingency | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |

*Note: Totals may not sum due to rounding*

**APPENDIX C**

Section 25 Report of the NCFRA Section 151 Chief Finance Officer

*“I have worked closely with the Joint Finance Team and am assured by their robust and diligent approach to the 2025/26 budget setting process. I am grateful for their hard work, scrutiny and challenge throughout, and am impressed by how they continue to take ownership and make improvements every year.*

*I have been fully briefed on the progress of the budget prior to and throughout the budget process and development of the capital programme, ensuring I have been party to all key assumptions and decisions. Prudent evidence-based estimates and assumptions included have been based on professional estimates, peer knowledge and benchmarking. Where possible, these are aligned with national fire, police, local authority and national technical team colleagues.*

*I have reviewed the detailed calculations in arriving at the budget requirement and Council Tax precept and find these to be robust. I also have sought and received authorisations from billing authorities in relation to taxbase and Council Tax surplus/deficits and I am grateful to all partners for their support in doing so.*

*The Chief Fire Officer and Senior Leadership Team have been fully involved in the budget discussions and have worked hard to propose a balanced budget for 2025/26 to the PFCC. I am grateful for their engagement and commitment in this process.*

*In preparing the MTFP, working alongside the Force s151 Officer, we modelled scenarios across council taxbase assumptions and precept increases ranging from £0 to £10 to help inform the PFCC considerations in determining her precept proposal for 2025/26. As the information from the settlement and taxbase became clearer, we continued to review and refine the MTFP.*

*The PFCC’s precept intention of £5 takes into account public consultation alongside prudent assumptions based on the best information available, the MTFP and the reserves position, and still enables an element to be ring-fenced for investment.*

*It is my recommendation that financially it is essential to maximise the £5 precept flexibility afforded to Northamptonshire for 2025/26. This will be built into the base budget and help provide a resilient position for the medium term.*

*The Chief Fire Officer should continue to review their operational requirements and build essential and transformative investment into plans and strategies as the work progresses. Efficiency savings are needed to achieve balanced budgets and any investment requirements will need to be considered within the medium term financial plan. It is essential that significant operational changes and investment proposals are fully costed and considered prior to implementation to consider affordability and the wider impact of any decisions. I will continue to work with the Chief Fire Officer and Joint Finance Team to ensure this is undertaken.*

*Whilst the capital programme is approved and funded, it is ambitious and of significant value and there is an impact of both deliverability and financial cost on the revenue budget. These costs are included in the MTFP, but any changes in specifications or slippage in timescales could affect the deliverability of other priorities within the programme.*

*The capital programme is based on approved investments and best professional assumptions of realistic delivery timescales. It is essential that disposals and activities are undertaken in a timely manner to enable benefits and savings to be realised. I am assured by the arrangements put in place that the programme is regularly reviewed. Under the oversight of the Joint Assistant Chief Officer for Enabling Services, proposed expenditure is taken forward on the basis of evidence-based business cases, in full recognition of other competing priorities.*

*I have highlighted some uncertainties to the PFCC and within this report, and as such, contingencies have been ring-fenced within the revenue budget to mitigate risk. The PFCC has adequate levels of general and earmarked reserves to mitigate a likely level of in-year or medium term unforeseen financial pressures.*

*I conclude, therefore, that the budget for 2025/26:*

1. *Has been prepared on a robust basis.*
2. *In 2025/26, the budget is balanced with agreed efficiencies which have been identified by the Chief Fire Officer and built into the budget.*
3. *General reserves are currently adequate and sufficient to meet essential risks and challenges. If possible, general and earmarked reserves will continue to be built up where it is appropriate and prudent to do so.*
4. *The revenue budget and reserves are resilient, and it is important that the budget is managed within the funding envelope each year and earmarked reserves are used where appropriate to support unforeseen issues or additional investment, not to balance the annual budget.*
5. *The future financial landscape is uncertain and whilst the MTFP can be balanced for three years, it does require the identified efficiencies to be taken forward. The MTFP will continue to be kept under regular review as the efficiency savings plan progresses.”*

**Vaughan Ashcroft**

**Section 151 and Chief Finance Officer**

**Northamptonshire Commissioner Fire and Rescue Authority**

**APPENDIX D**

**Reserves Strategy**



**NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY   
RESERVES STRATEGY (REVISED JANUARY 2025)**

1. Reserves Strategy
   1. Reserves are a key part of medium-term financial planning with other components including revenue spending plans, income forecasts, potential liabilities, capital investment plans, borrowing and council tax levels. Decisions on these are inter-linked. Consequently, some organisations will need to maintain reserves at higher levels than others.
   2. All publicly funded organisations should have a reserves strategy to demonstrate transparency and accountability, to comply with best practice financial management and to justify the levels of reserves held.
   3. The PFCC maintains reserves to provide a measure of protection against risk. Without this protection, any unforeseen expenditure would have to be met either by increases in Council Tax or immediate savings (potentially through reductions in service levels).
   4. The term "reserves" has a variety of technical and everyday meanings, depending on the context in which it is used. In this strategy, it is taken to mean funds set-aside at the PFCC’s discretion for general or specific future purposes.
   5. Reserves are required to protect and enhance the financial viability and in particular:
      * To maintain a degree of in-year financial flexibility.
      * To enable the PFCC to deal with unforeseen circumstances and incidents.
      * To set aside monies to fund major developments in future years.
      * To enable the PFCC to invest to transform and achieve improved service effectiveness and efficiency.
      * To set aside sums for known and potential liabilities.
      * To provide an operational contingency at service level.
   6. Reserves should not be held to fund ongoing revenue expenditure as this is unsustainable in the long term. However, they may be important in smoothing a major financial imbalance (revenue or capital) over a longer timescale. CIPFA Bulletin 13 – Local Authority Reserves and Balances (Updated) published March 2023 states:

*“Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, it is not normally prudent for reserves to be deployed to finance recurrent expenditure. CIPFA has commented that councils should be particularly wary about using one off reserves to deal with shortfalls in current funding. Where such action is to be taken, this should be made explicit, and an explanation given as to how such expenditure will be funded in the medium to long term.”*

* 1. The Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) was established on the 1st January 2019 with no transfer of reserves agreed as part of the business case. As such, a three year financial stability period was set to establish a more stable budget position, supported by a sufficient level of reserves.
  2. Tight financial planning, together with assistance from the Home Office has enabled a sufficient reserves position to be sufficient currently. However, work on the budget and Medium-Term Financial Plan has identified that the financial risks from inflation and other pressures are still forecast to be higher than funding available to the service. Despite annual efficiency targets, funding deficits are identified in future years.
  3. The reserves strategy assumes that the Medium-Term Financial Plan (MTFP) is broadly balanced on a sustainable basis across the five year planning period. If the financial impact of current economic conditions continues to impact on taxbase and council tax levels over the medium term, then this could impact on those assumptions.
  4. This is recognised as a risk as when taking into account the projected shortfalls on the MTFP where savings will need to be achieved to facilitate balancing budgets in future years. If savings cannot bridge the full gap, based on current estimates, as a worst case scenario, revenue reserves can balance the gap over the five year MTFP to some extent, but this would exhaust available reserves and would impact funding available for investment.
  5. Due to the lack of investment by Northamptonshire County Council over many years, NCFRA have a significant Capital programme requirement. This is continually reviewed to ensure it is both operationally deliverable and affordable.
  6. Reserves should reflect the agreed financial strategy and should represent the quantified impact of risks and opportunities over the planning period, weighted for their probability.

1. National Guidance and Compliance with Home Office Guidance on Police Reserves
   1. The CIPFA Bulletin includes guidance on the establishment and maintenance of local authority reserves and balances, setting out the key factors that should be taken into account locally in making an assessment of the appropriate level of reserves and balances to be held.
   2. There is information that each PFCC must publish in terms of police reserves. This guidance has been adopted for NCFRA to ensure consistency across PFCC governed Fire and Police services in Northamptonshire. One of the key requirements is that the information on each reserve should make clear how much of the funding falls into each of the following three categories:
      * Funding for planned expenditure on projects and programmes over the period of the current medium term financial plan.
      * Funding for specific projects and programmes beyond the current planning period.
      * As a general contingency to meet other expenditure needs held in accordance with sound principles of good financial management.
   3. This information is summarised across the Home Office headings as at 31/3/25 as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Reserve** | **Forecast Balance as at 31/3/2025** | **Funding for planned expenditure on projects and programmes over the MTFP (25/26-29/30)** | **Total Forecast Revenue and Capital Reserves as at 31/3/2030** | **Funding for specific projects and programmes beyond the current planning period** | **As a general contingency to meet other expenditure needs** |
|  | **£m** | **£m** | **£m** | **£m** | **£m** |
| **General** | **2.000** |  | **2.000** |  | **2.000** |
|  |  |  |  |  |  |
| **Earmarked Revenue:** |  |  |  |  |  |
| Insurance | **0.250** |  | **0.250** |  | **0.250** |
| Operational Equipment | **0.075** | 0.421 | **0.496** | (0.246) | **0.250** |
| Carry Forwards | **0.000** |  | **0.000** |  | **0.000** |
| Smoothing | **1.507** | (0.437) | **1.070** |  | **1.070** |
| Transformation | **0.952** | (0.952) | **0.000** |  | **0.000** |
| **Total Earmarked** | **2.784** | **(0.968)** | **1.816** | **(0.246)** | **1.570** |
|  |  |  |  |  |  |
| **Total Revenue** | **4.784** | **(0.968)** | **3.816** | **(0.246)** | **3.570** |
|  |  |  |  |  |  |
| **Capital:** |  |  |  |  |  |
| Capital Receipts | **1.550** | (1.550) | **0.000** |  | **0.000** |
| Capital and ESN Reserve | **0.000** |  | **0.000** |  | **0.000** |
| S106 Developer Contributions | **0.000** |  | **0.000** |  | **0.000** |
| Capital Grants Unapplied | **0.418** | (0.418) | **0.000** |  | **0.000** |
| **Total Capital** | **1.968** | **(1.968)** | **0.000** | **0.000** | **0.000** |
|  |  |  |  |  |  |
| **Total Reserves** | **6.752** | **(2.936)** | **3.816** | **(0.246)** | **3.570** |

*Note: numbers may not sum due to rounding*

1. General Reserve
   1. In order to assess the adequacy of the unallocated general reserve when setting the budget, the PFCC, on the advice of the two Chief Finance Officers, should take account of the strategic, operational and financial risks facing the authority. This assessment of risk should include external risks, as well as internal risks, for example the ability to deliver planned efficiency savings.
   2. Whilst there is no prescribed level of reserves that PFCCs should hold; it is influenced by individual discretion, local circumstances, advice from external auditors, risk management arrangements and risk appetite. CIPFA guidance specifically cautions against prescriptive national guidance for a minimum or maximum level of reserves and states:

*“The many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level. A considerable degree of professional judgement is required. The chief finance officer may choose to express advice on the level of balances in cash and/or as a percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the authority.”*

* 1. However, the minimum level of reserves may be set for the authority by the Ministers in England and Wales where an authority does not act prudently, disregards the advice of its chief finance officer or is heading for financial difficulties.
  2. CIPFA indicate a minimum general reserve level is typically between 2% and 3% of net budget requirement.
  3. Home Office publications in recent years reflect that despite progress in building reserves, NCFRA still has one of the lowest level of reserves per core spending power across all Fire and Rescue Authorities in England and Wales.
  4. The PFCC has considered the reserves strategy and wishes to hold a sufficient but not excessive level of reserves. In determining this position, Annexe 1 outlines how the PFCC complies with the 7 key CIPFA principles which can be used to assess the adequacy of reserves.
  5. NCFRA have also considered the following factors:
     + NCFRA are required to meet the first 1% of any special grant requirement.
     + NCFRA was established without the transfer of any reserves.
     + Local funding accounts for some 76% of NCFRA’s funding streams, which can be affected by local taxpayers and business’ ability to pay and can subject to volatility.
     + The general reserve also holds the financial risk of any potential industrial action requirements should they arise.
  6. Given the above, it remains prudent to hold reserves at a reasonable level to provide a realistic and comfortable buffer to meet any eventualities, and to mitigate against any unplanned in-year changes being required.
  7. The Chief Finance Officer advises that it would be prudent to maintain a sustainable and resilient level of general reserves at £2.0m or 5% of revenue budget (whichever is the higher).
  8. At present, there are no plans to use the general reserve during the period of the MTFP or longer term. It is currently stabilised above 5% of revenue budget in each year of the MTFP as follows:

|  |  |  |
| --- | --- | --- |
| **Year** | **£m** | **% of Budget** |
| 2025/26 | **2.000** | 6.0% |
| 2026/27 | **2.000** | 5.7% |
| 2027/28 | **2.000** | 5.4% |
| 2028/29 | **2.000** | 5.1% |
| 2029/30 | **2.000** | 5.1% |

1. Earmarked Reserves
   1. In addition to the general reserve, the PFCC holds a number of reserves which are earmarked for specific purposes.
   2. At the 31/3/2025, it is estimated that the PFCC will hold £6.752m for Fire in earmarked reserves. The predicted position for each earmarked reserve as at 31/3/2025, together with further details is in Annexe 2 and 3.
   3. The purposes of each earmarked reserve are as follows:
      * **Insurance** – To set funds aside where considered prudent for civil claims (Public and Employer liability) in line with professional advice.
      * **Operational Equipment** – Given the age and condition of equipment transferred as part of the governance transfer, an annual operational equipment reserve contribution was established to smooth the impact and mitigate the costs of essential operational equipment replacement.
      * **Carry Forwards** – To ringfence previous years’ underspends for specific purposes in the medium term.
      * **Smoothing** – To enable any savings generated to be earmarked and released over future years as needed, smoothing the impact of funding fluctuations and timing of savings programmes on the revenue budget.
      * **Transformation** – To support initiatives and transformative activities such as investments in technology and other innovation, and in line with operational priorities. This includes funding of resources to deliver *Your Future Service*.
      * **Capital Receipts** – To earmark receipts for disposal of capital assets for use as deemed appropriate to minimise the cost of future capital financing.
      * **Capital and ESN Reserve** – To hold amounts set aside for capital investment, applied to the capital programme as deemed appropriate to minimise the cost of future capital financing. This specifically includes funds ringfenced for work associated with preparedness for Emergency Services Network (ESN).
      * **Developer Contributions (s106)** – To collect the drawn down developer contributions awarded to the PFCC in line with S106 planning arrangements. These funds will be released in accordance with the terms of the agreements, usually to fund capital expenditure. The reserve only accounts for funds once they have been drawn down.
      * **Capital Grants Unapplied** – To hold amounts grants received for specific capital investment, to be applied to the capital programme in line with the grant terms and as deemed appropriate to minimise the cost of future capital financing.
   4. These reserves will be reviewed on a regular basis and any further opportunities to set aside earmarked reserves to support targeted expenditure and investment will be taken where appropriate.
2. Provisions
   1. The CIPFA Statement of Recommended Practice is prescriptive about when provisions are required (and when they are not permitted). A provision must be established for any material liabilities of uncertain timings or amount, to be settled by the transfer of economic benefits. In accordance with this statutory guidance, there is an established ‘Insurance Provision’ which is reviewed as part of the closedown process for each year.
3. Procedures for management and control
   1. Any drawdown from reserves is subject to the approval of the PFCC, on advice from the PFCC’s Chief Finance Officer (OPFCC CFO); or under the delegated authority of the OPFCC CFO.
   2. The Local Government Act 2003 requires the s151 officer to report annually on the adequacy of the reserves and this is included within the statement on the robustness of the estimates used for the budget and the adequacy of the proposed financial reserves.
   3. The Strategy will be reviewed annually by the OPFCC CFO as part of the Budget and Precept process.

**Annexe 1**

**NCFRA - Compliance with the 7 Key CIPFA Principles to assess the adequacy of reserves.**

|  |  |
| --- | --- |
| **Budget Assumptions (CIPFA Principles)** | **2024/25 Situation in Northamptonshire** |
| **The treatment of inflation and interest rates** | Northamptonshire makes full and appropriate provision for pay and price increases, informed by benchmarking with peers.  An informed assessment is made in the Treasury Management Strategy of interest rate movements.  All income and expenditure in the budget is prepared and published at outturn prices.  Additionally, there are operational and inflation contingencies to mitigate any volatility during the year. |
| **Estimates of the level and timing of capital receipts** | Northamptonshire has recently reviewed its estates strategy as a fundamental part of the capital programme and has made a prudent assumption of future capital receipts across the programme which are being used to fund capital expenditure and minimise the impact of borrowing on the budget. |
| **The treatment of demand led pressures** | NCFRA is required to operate and manage within its annual budget allocation.  All budgets except firefighters are devolved and managed by trained budget holders.  On an exceptional basis, agreement of the PFCC is given to utilise carry forwards to meet one off demand led pressures.  Demand led pressures are scrutinised and built into the budget on zero based budget principles. An agreed budget for Fire is set by the PFCC.  The PFCC is keen to ensure that NCFRA continue to identify efficiencies where it makes sense to do so, and an efficiency target is set as part of the budget and MTFP and detailed within the annual strategic outcomes agreed with the Chief Fire Officer.  Depending on funding availability, the PFCC has and will continue to support investment in areas that reduce demand, or which increase efficiency/capacity to deal with demand.  General reserves are used as a last resort to manage and fund demand led pressures. |
| **The treatment of Planned Efficiency Savings/Productivity Gains** | In the years post governance transfer, NCFRA has underspent each year and used the opportunity to increase reserves as a result. Each financial year is more challenging, but it is forecast the budget will be balanced with a minimal use of reserves.  There is a savings plan aligned to the MTFP and any identified savings and efficiencies from service or governance transfers will be monitored and reviewed regularly by the service and are only included as achieved in budgets when confirmed and verified. |
| **The financial risks inherent in any significant new funding partnerships, collaboration, major outsourcing arrangements or major capital developments.** | The financial consequences of partnership collaboration working outsourcing arrangements or capital investment are reported to the PFCC as part of the medium-term planning process. Where relevant, any additional costs are incorporated into the annual revenue budget and/or capital programme.  There is a risk that partners will withdraw funding as their own budgets are squeezed, or that the continued viability of private sector commercial partners will be exposed to risk in the face of an economic recession. |
| **The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions.** | NCFRA have built up appropriate reserves from a zero base to build a stable range earmarked reserves and provisions to meet specific expenditure items. Their use and balances are detailed in the attached annexe.  NCFRA maintain an insurance provision, the adequacy of which is reviewed and monitored in detail by the legal services insurance advisors.  NCFRA continue to maintain a general reserve to cover any major unforeseen circumstances, supported by earmarked reserves where appropriate to meet targeted investment in a planned manner which does not disproportionately impact on the revenue budget each year. |
| **The general financial climate to which the Authority is subject** | It is anticipated that the financial climate will continue to be challenging and the medium-term financial plan reflects the “best estimate” of future inflation rates and increases in government grants and contributions.  The Commercial team keep the authority updated on matters/risks affecting large contracts and supply chain.  The MTFP will be regularly reviewed and updated to support operational decision making. |

**Annexe 2**

**RESERVES OF THE NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY**

**2025/26 to 2029/30**

|  | **Rationale** | **How and when used** | **Level** | **Risk If Reserve Not Held** | **Management and control** | **Review** |
| --- | --- | --- | --- | --- | --- | --- |
| **GENERAL RESERVE** | To maintain a degree of in-year financial flexibility  To enable NCFRA to deal with unforeseen circumstances and incidents.  To manage and meet financial risks of any industrial action requirements.  To set aside sums for known and potential liabilities. | To meet exceptional spending needs or overspends which are unable to be otherwise financed at the year end.  To smooth the profile of revenue over a medium term financial period.  To allow higher spending without raising council tax on a one-off basis. | To maintain a sustainable level of £2.0m of 5% (whichever is the higher) | The general reserve is held at a level which reflects risk, uncertainties and volatility.  If no reserve is held there may be insufficient resources available for major catastrophe, which could jeopardise financial status and reputation of NCFRA. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - INSURANCE** | To cover the potential and contingent liabilities of uninsured risks as assessed annually by our insurers based on claims outstanding. | The balance may increase or reduce annually dependent on the NCFRA outstanding claims record.  Established in 2018/19 following advice from legal service advisors.  Level of reserve reviewed annually with the legal services advisers. | Variable according to annual risk assessment. | The reserve is held to cover potential uninsured risks.  If no reserve is held the NCFRA is potentially open to significant excess and claims payments in year beyond available revenue budgets which would fall on the general reserve.  Assessment by insurers needs to be realistic not unduly pessimistic. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - OPERATIONAL EQUIPMENT** | To smooth the impact of operational equipment purchases on the revenue budget | To access the funds a costed request has to be provided. | Variable according to usage and annual risk assessment. | The reserve is held to smooth the impact of operational equipment replacement rather than have significant variations in the budget.  If no reserve is held, the risk is that equipment would have to be replaced from the current year’s budget or capital programme. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED – CARRY FORWARDS** | To fund specific expenditure requested by the service from previous year underspends or earmarked funding received. | Business cases provided as part of the outturn report or specific funding conditions. | Variable according to year end outturn and usage. | Establishing a reserve enables an incentive and opportunity to utilise year end underspends in a manner which will provide additionality or benefit for the service in future years, rather than finding resources from in-year or reserves. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED – SMOOTHING** | The reserve is held to receive any efficiencies and funding in excess of the budget set and to utilise to ensure any future variations are smoothed where appropriate.  This includes the impact of fluctuations in funding receipts from the collection fund if provided after the budget has been set. | The balance will increase or reduce annually dependent on budget levels and the savings programme. | Variable according to usage and annual risk assessment. | If funds were not maintained the PFCC and the Service could be required to balance the budget or funding shortfalls by in-year savings.  There can be significant variations each year in the revenue budget whilst the timing of efficiency savings occur – this smoothing reserve will assist in mitigating that. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED -TRANSFORMATION** | To fund transformative activities and opportunities and meet initial and upfront costs of approved projects. | To access the funds a costed request or business case has to be provided. | Variable according to outturn and change programme. | If funds were not provided, the risk is that equipment or services and resources required to implement transformative projects would have to be replaced from the current year’s budget or other reserves.  If no funds were available, it may be that innovative activity is hindered. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - CAPITAL RECEIPTS** | To hold capital financing underspends or disposal proceeds. These are to be used to fund the capital programme and minimise borrowing. | Released to fund capital projects where deemed the most cost efficient way to do so, in line with the Treasury Management Strategy. | Variable according to outturn, usage and annual risk assessment. | If unavailable, the cost of financing capital expenditure could adversely impact revenue budgets into the future.  Capital projects may be deemed unaffordable. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - CAPITAL AND ESN RESERVE** | To meet the costs of ESN and other capital requirements to support the funding of the capital programme. | Used to support funding the capital programme to minimise the cost of external borrowing on NCFRA and the taxpayer. | Variable according to activities. | If funds were not provided, the risk is that the additional costs would have to be factored into the capital programme. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - DEVELOPER CONTRIBUTIONS (S106)** | The reserve is held for funds allocated to the PFCC from developers towards the cost of infrastructure developments for Policing.  To meet the additional cost of operational requirements | To access the funds a costed request has to be provided which is consistent with the conditions of the developer contribution. | Variable according to usage. | If unavailable, the cost of financing capital expenditure could adversely impact revenue budgets into the future.  Capital projects may be deemed unaffordable. | PFCC, on advice from PFCC CFO | Annual |
| **EARMARKED - CAPITAL GRANTS UNAPPLIED** | Used to earmark unapplied grants brought forward from the Governance Transfer with Northamptonshire County Council and any additional one off grant received from the Home Office. | Used to support funding in accordance with the grant requirements to minimise the cost of external borrowing on NCFRA and the taxpayer if purchased from capital. | Variable according to activities. | The reserve is held for grants awarded for a specific capital purpose.  This enables funds to be used in the most appropriate manner to meet capital expenditure and minimise the cost of borrowing. | PFCC, on advice from PFCC CFO | Annual |

**Annexe 3**

**Summary of Reserves 2024/25 to 2029/2030**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Forecast Balance at  31 March 2025** | **Forecast Balance at  31 March 2026** | **Forecast Balance at  31 March 2027** | **Forecast Balance at  31 March 2028** | **Forecast Balance at  31 March 2029** | **Forecast Balance at  31 March 2030** |
|  | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| **Held to meet budgetary risks** |  |  |  |  |  |  |
| Insurance | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 |
| Operational Equipment | 0.075 | 0.096 | 0.196 | 0.296 | 0.396 | 0.496 |
|  | **0.325** | **0.346** | **0.446** | **0.546** | **0.646** | **0.746** |
| **Held to support the medium term budget** |  |  |  |  |  |  |
| Carry Forwards | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Smoothing Reserve | 1.507 | 1.070 | 1.070 | 1.070 | 1.070 | 1.070 |
|  | **1.507** | **1.070** | **1.070** | **1.070** | **1.070** | **1.070** |
| **Held to facilitate change programmes** |  |  |  |  |  |  |
| Transformation Reserve | 0.952 | 0.702 | 0.202 | 0.000 | 0.000 | 0.000 |
|  | **0.952** | **0.702** | **0.202** | **0.000** | **0.000** | **0.000** |
| **Committed to future capital programmes** |  |  |  |  |  |  |
| Capital Receipts | 1.550 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital and ESN Reserve | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| S106 Developer Contributions | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital Grants Unapplied | 0.418 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
|  | **1.968** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |
|  |  |  |  |  |  |  |
| **Total Earmarked Reserves** | **4.752** | **2.118** | **1.718** | **1.616** | **1.716** | **1.816** |
|  |  |  |  |  |  |  |
| General Fund | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 |
|  |  |  |  |  |  |  |
| **Total Reserves** | **6.752** | **4.118** | **3.718** | **3.616** | **3.716** | **3.816** |

*Note: numbers may not sum due to rounding*