

## **2021/22 Budget Process- Assumptions/Uncertainties**

### Current Assumptions:

- One year settlement for 2021/22, due to C-19 pressures (provisional settlement early December 2020, Final settlement February 2021)
- The FF Employer Pensions Grant will again be received in 2021/22 at £1.7m. Further information on this is yet to be announced. It is likely that this will be part of the CSR and settlement for 2022/23 onwards.
- The 2020/21 Unitary Authority forecast Collection Fund deficits that are to be allocated to the FRA can be spread over three years (the 2019/20 revised element cannot be and must be fully repaid in 2021/22).
- All longstanding grants received in 2020/21 will continue in 2021/22. This includes, New Dimensions, Transparency, Fire link, MTA
- Green Book pay award 0% April 2021 (was 2.75% April 2020) and 2% April 2022 onwards.
- Grey Book pay award 0% July 2021 and 2% July 2022 onwards. The green and grey book pay awards align to the Chancellor's announcement regarding a public sector pay freeze.
- Council Tax referendum limit remains at 2% as announced by the Chancellor (with no £5 increase as proposed by the NFCC Finance Group to the Treasury – via the Home Office).
- Taxbases reduced from previous indications, with limited increases in the following years (built in a low 1% increase in 2022/23 onwards).
- Business rates reduced from previous indications with again limited increases built in until further information is received from Unitary Authorities
- No Capital Funding (bidding round not announced)
- Fire Grant/Emergency Services Mobile Communications Programme (ESMCP) funded – *Potential large funding risk here*. MAIT funding
- That there will be a 75% in year Collection Fund deficit support grant from the Governments. This has not yet been built into the figures until further clarification is received. This is potentially £384k.

### Uncertainties:

- As above, how much of the Employer Pension Grant at £1.7m will be included as part of the settlement/CSR from 2022/23 onwards. The immediate pressure of £750k has now been removed from the MTRP, following confirmation that for 2021/22 this will be received in full. It could be subject to reduction in the following years.
- FF pensions – impact from the Remedy and associated costs (internal resourcing, payment to Administrators), immediate detriment costs and other pension related matters.
- Impact from Business Rates Retention (no Revenue Support Grant) potentially a future year in the MTRP
- Impact from Spending Review for 2022/23 onwards and if 3 year settlement
- Impact from delayed formula funding review 2022/23 onwards (year unknown)

- Recruitment profile/establishment/retirements – associated recruitment/training costs
- New savings/efficiencies in the medium term
- Collaboration (PCC – including election in May and potential impacts on governance, Ambulance (servicing, co-responding, falls, bariatric), Police etc) – and associated costs/savings/investments
- Medium term property strategy (One Public Estate, HQ, workshops, sharing etc)
- Contingent Liabilities/Assets included in the Statement of Accounts
- EU directives/legislative changes/Brexit impacts
- Implications arising from the Day Crewing and Retained pensions
- Strike expenditure potential over the course of the four year MTRP
- Interest and inflation rate fluctuations (post Brexit, negative inflation/interest rates a possibility)
- Outcomes of Retained Duty System project (budget increase/decrease)
- Outcome of Grey book pay review – broadening the role, pay award
- Outcome of Emergency Cover Review Project (now at stage two, looking forward)
- Due to significant turnover in the medium term, additional costs re succession planning
- Outcome of contaminants work both locally and nationally and potential additional expenditure here.