

2022/23 Budget Process- Assumptions/Uncertainties

Current Assumptions:

- One year settlement for 2022/23 (Final settlement February 2022)
- The FF Employer Pensions Grant will be received for 2022/23 at £1.7m again as a grant, likely to be part of settlement 2023/24 onwards
- The 1.25% employer National Insurance increase will be part of Government Funding (part of new Grant £409,624)
- Current assumption is that this is a one off grant where in excess of the NI impact (estimated at circa £170k, so this grant is reduced from 2023/24 onwards)
- Collection Fund positions as per early indications – so all surpluses for Council Tax and deficits for Business Rates
- All longstanding grants received in 2021/22 will continue in 2022/23. This includes, New Dimensions, Fire link, MTA
- Green Book pay award 2% April 2022 onwards (1.75% April 2021 yet to be finalised). Modelling 4% too 2022/23.
- Grey Book pay award 2% July 2022 onwards. Modelling other 4% too in 2022/23.
- Council Tax referendum limit remains at 2% as announced by the Chancellor (£5 increase for lowest 8 council tax authorities).
- Taxbase increasing post the reduction due to the pandemic (final taxbase figures due from unitaries in January 2022 at the latest)
- Business rates increasing not decreasing
- No Capital Funding (bidding round not announced)
- Fire Grant/Emergency Services Mobile Communications Programme (ESMCP) funded – *Potential large funding risk here*. MAIT funding
- Utilities and fuel costs increase will continue to increase, therefore 30% gas and 25% electricity increases built into the budget

Other – the Authority wants to build in an Environmental Impact budget, to invest in reducing greenhouse gasses and becoming more green.

Uncertainties:

- What, if any, allocation will be given to Authorities to deliver efficiencies/savings
- How much Prevention and Protection Grant we will receive
- As above, how much of the Employer Pension Grant at £1.7m will be included as part of the settlement/CSR from 2023/24 onwards. It could be subject to reduction in the following years.
- If the new grant of £409k will continue at this level and therefore be more than just NI grant in future years (as above, prudent approach taken here)
- 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 recent CSR and funding for 2023/24 to 2024/25 and Spending Review for 2025/26 (year 4)
- Impact from delayed formula funding review (year unknown)
- Recruitment profile/establishment/retirements – associated recruitment/training costs
- New savings/efficiencies in the medium term
- Collaboration (PCC – including awaited White Paper and potential impacts on governance, Ambulance (servicing, co-responding, falls, bariatric funding?), Police etc) – and associated costs/savings/investments
- Medium term property strategy (Emergency Cover Review, One Public Estate, HQ, workshops, sharing etc)
- Contingent Liabilities/Assets included in the Statement of Accounts
- EU directives/legislative changes/post Brexit impacts such as supply chain and cost increases
- 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
- 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)
- Outcome of contaminants work both locally and nationally and potential additional expenditure here.