

Hereford & Worcester Fire Authority: 14-Oct-2020

Potential Changes to Medium Term Financial Plan (MTFP)

Col/ Row		d 2020/21 Budget	e 2021/22 Forecast	f 2022/23 Forecast	g 2023/24 Forecast	h 2024/25 Forecast		
	<u>Approved MTFP</u>							
1	CORE BUDGET	35.827	36.080	36.870	37.651	38.532		
2	PROJECTED RESOURCES	(35.397)	(35.428)	(36.395)	(37.370)	(38.064)		
3	STRUCTURAL BUDGET GAP	0.430	0.652	0.475	0.281	0.468	Total	2.306
4	Use of Budget Reduction Reserves	(0.430)	(0.652)	(0.475)	(0.281)	(0.468)	Total	(2.306)
5	RESIDUAL BUDGET GAP	0.000	0.000	0.000	0.000	0.000		0.000
6		Budget Reduction Reserve at 31st March 2020						3.582
7		Planned use over MTFP Period						(2.306)
8		Remaining Reserve						1.276
	<u>Potential Impacts</u>							
9	=3 STRUCTURAL BUDGET GAP	0.430	0.652	0.475	0.281	0.468		
10	Revised Business Rates (NNDR1)	(0.310)	(0.090)	(0.090)	(0.090)	(0.095)		
11	Creation of Sustainability Reserve	0.310						
12	Ill Health Retirement Charges	0.040	0.040	0.040				
13	Other grant/Income Variation	(0.070)						
14	McLoud/Sargeant - Employer Contrib	(0.400)	(0.400)	(0.400)	(0.400)	(0.400)		
15	Provision for impact on Rates			0.400	0.400	0.400		
16	Cease provision for July 2017 Pay	(0.285)	(0.285)	(0.285)	(0.285)	(0.285)		
17	Fire Control - Grenfell/Kerslake		0.300	0.300	0.300	0.300		
18	Error in Original MTFP					(0.310)		
19	Government Covid Grant	(0.690)						
20		(0.975)	0.217	0.440	0.206	0.078		
21	2020/21 Potential Collection Fund Loss -4%		0.325	0.325	0.325			
22	Impact on Tax-base growth		0.275	0.315	0.315	0.315		
23	2020/21 Potential Business Rate Loss -12%		0.075	0.075	0.075			
24	Potential Impact on Business Tax-base -10%		0.280	0.285	0.290	0.295		
25	REVISED STUCTURAL GAP	(0.975)	1.172	1.440	1.211	0.688	Total	3.536
26	Revised Use of Budget Reduction Reserves	0.975	(1.172)	(1.440)	(1.211)	(0.688)	Total	(3.536)
27	RESIDUAL BUDGET GAP	0.000	0.000	0.000	0.000	0.000		0.000
28		Budget Reduction Reserve at 31st March 2020						3.582
29		Planned use over MTFP Period						(3.536)
30		Remaining Reserve						0.046
	<u>Precept "Flexibility"</u>							
31	=25 REVISED STUCTURAL GAP	(0.975)	1.172	1.440	1.211	0.688		
32	2021/22 £5 Band D increase (5.8%)		(0.935)	(0.966)	(0.998)	(1.028)		
33	SUB-TOTAL	(0.975)	0.237	0.474	0.213	(0.340)	Total	(0.391)
34	Use of Budget Reduction Reserves	0.975	(0.237)	(0.474)	(0.213)	0.340	Total	0.391
35	RESIDUAL BUDGET GAP	0.000	0.000	0.000	0.000	0.000		0.000
36		Budget Reduction Reserve at 31st March 2020						3.582
37		Planned use over MTFP Period						0.391
38		Remaining Reserve						3.973

Hereford & Worcester Fire Authority: 14-Oct-2020
Potential Change to Reserves Strategy

Col/ Row		e	f	g	h	i	j
	Fire Authority - Feb 2020	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
		31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
		£m	£m	£m	£m	£m	£m
	<u>Future Expenditure Reserves</u>						
1	Total - excluding Pay Award Reserve	5.808	4.386	0.228	0.059	0.059	0.059
	<u>Other Specific Reserves</u>						
2	Total	1.355	1.022	1.022	1.022	1.022	1.022
	<u>Budget Reduction Reserves</u>						
3	Pay Award Reserve	0.837					
4	Budget Reduction Reserve	3.581	3.151	2.499	2.024	1.743	1.275
5		11.581	8.559	3.749	3.105	2.824	2.356
6	General (Un-earmarked) Reserves	1.538	1.538	1.538	1.538	1.538	1.538
7	Total Reserves	13.119	10.097	5.287	4.643	4.362	3.894
	Potential Change - Sep 2020	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
		31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
		£m	£m	£m	£m	£m	£m
	<u>Future Expenditure Reserves</u>						
8	Total - excluding Pay Award Reserve	6.469	4.386	0.228	0.059	0.059	0.059
	<u>Other Specific Reserves</u>						
9	Total	1.529	1.022	1.022	1.022	1.022	1.022
	<u>Budget Reduction Reserves</u>						
10	Pay Award Reserve	0.837	0.837	0.837	0.837	0.837	0.837
11	Budget Reduction Reserve	3.582	4.557	3.385	1.945	0.734	0.046
12		12.417	10.802	5.472	3.863	2.652	1.964
13	General (Un-earmarked) Reserves	1.538	1.538	1.538	1.538	1.538	1.538
14	Total Reserves	13.955	12.340	7.010	5.401	4.190	3.502
15	Change in Total Reserves	0.836	2.243	1.723	0.758	(0.172)	(0.392)