

## **Report of the Mayor of York and North Yorkshire to the Police, Fire and Crime Panel**

**6<sup>th</sup> February 2025**

### **The Draft 2025/26 Fire Budget and Medium Term Financial Plan (MTFP) Proposal**

#### **1 Purpose**

- 1.1 The purpose of this report is to inform panel members of the proposed budget for North Yorkshire Fire and Rescue Service (NYFRS) for 2025/26 and the updated medium term financial plan.
- 1.2 The precept proposals for NYFRS for 2025/26 will form part of the Mayoral general budget and precept proposals report, which will be reported to the York and North Yorkshire Combined Authority (YNYCA) on 7th February 2025.
- 1.3 Legislation requires that before the date on which the Combined Authority determines whether to approve my annual budget in relation to the following financial year; and at a time which permits the Police, Fire and Crime Panel a reasonable amount of time to review the proposed allocation of budget before the Combined Authority makes its determination:

That I must, notify the Police, Fire and Crime Panel of my proposed allocation of the draft budget for fire and rescue functions, including the proposed allocation of the element of the general precept attributable to fire and rescue functions, in relation to the following financial year.

- 1.4 This report is broadly the same as the report received by the Panel at their meeting on the 16<sup>th</sup> January with minor amendments to reflect additional information received since that meeting relating to:
  - Final Council Tax Collection Fund positions
  - Business Rates
  - Final Precept consultation results

## **2 Recommendations**

The Panel is asked to:

- 2.1 Review the proposed allocation of budget to North Yorkshire Fire and Rescue Service for 2025/26.
- 2.2 Note and comment on my proposal to set the Band D Fire Element of the Mayoral General Precept within North Yorkshire for 2025/26 at £107.02. This is an increase of £24, over the 2024/25 level.
- 2.3 Note that in setting out this proposed allocation of budget I have taken into account the challenging financial position that I have inherited and that the Panel is aware of, the clear need for investment into the Fire Service, and the views of the public of North Yorkshire in relation to development of the Fire and Rescue Plan.
- 2.4 Note that during the financial years 2011-14 the Fire precept was frozen for 3 years which has resulted in the precept being £5.98 lower than it would have been today, and around £21m less has been available for investment into the Service than would otherwise had been the case.
- 2.5 Note that had there been the flexibility to increase the Fire precept by £5 in each year since the Fire Authority transferred to the PFCC, then the precept would have been higher than it is currently by a further £16.18.
- 2.6 Note that the flexibility that I have as the Mayor means that I can address the financial challenges that points 2.4 and 2.5 have created and put North Yorkshire Fire and Rescue Service on a secure and sustainable financial footing.
- 2.7 Note that the Fire element of the precept in North Yorkshire will now be at a similar level to other Rural Fire Services, such as Devon and Somerset, and Cumbria.
- 2.8 Note that the level of Reserves within North Yorkshire Fire and Rescue Service has been a concern for some time now, and that the Reserves have now been boosted within the current financial plans, this will be especially important in providing resilience to the Service in dealing with weather relating incidents such as flooding and wild fires.
- 2.9 The Panel is asked to note that I have consulted with the public specifically in relation to the Fire Element of my precept proposal and have received significant support from the public for an increase in the funding to be provided to the Fire Service.

### **3 Reasons**

- 3.1 The purpose of this report is to inform panel members of the proposed budget for North Yorkshire Fire and Rescue Service (NYFRS) for 2025/26 and the updated medium term financial plan.
- 3.2 The following information provides details supporting the NYFRS Revenue and Capital Budgets, setting out the overall financial context, the pressures from both a pay and non-pay perspective and the financial plans of the service for both 2025/26 and beyond.

#### **Current Financial Position and Context**

- 3.3 Local Government Finance Settlement 2025/26
- 3.4 On 18 December 2024, Minister of State (Minister for Local Government and English Devolution) Jim McMahon announced the publication of the 2025-26 Provisional Local Government Finance Settlement in a Written Ministerial Statement.
- 3.5 On the same day, the Government published an “objectives and principles” consultation on Local Authority Funding Reform, this follows its English Devolution White Paper set out on 16 December. Alongside the Settlement, the Government announced its planned methodology for employer NICs compensation, but **allocations will only be set out alongside the Final Settlement.**
- 3.6 Within the Statement, the Minister stated that the changes announced at the Policy Statement (28 November) “lay the foundations for fundamental reform by allocating new funding through improved formulas in 2025-26 and investing in priority services”.
- 3.7 It is important to note that many smaller grants have not been announced as part of the Provisional Settlement and are announced separately. The Home Office is expected to announce a series of Fire and Rescue grants in January and February 2025.
- 3.8 Headlines
- 3.9 The 2018 Hudson Review included a recommendation that the Final Local Government Finance Settlement should be announced no later than 31<sup>st</sup> January each year, and the Provisional Settlement around 5<sup>th</sup> December the year prior. However, the government has not achieved this target in any year since. Instead, in recent years the Ministry of Housing, Communities and Local Government (MHCLG) has published policy statements containing information about the Government’s plans for the upcoming settlement, without containing the settlement allocations for individual authorities.

- 3.10 In line with this, on the 28<sup>th</sup> November 2024, Minister of State (Minister for Local Government and English Devolution) Jim McMahon announced the publication of the government's 2025-26 Local Government Finance Policy Statement in a Written Ministerial Statement.
- 3.11 Whilst Policy Statements provide useful indications, they do not answer all the questions about methodologies and how big some top-slices or transfers might be and so the Fire Service had to wait until the 19<sup>th</sup> December to fully understand what the financial allocations would be for 2025/26.
- 3.12 The provisional Settlement went on to confirm much of the policy statement and provided the following headlines:
- Precept Referendum Thresholds – A £5 limit for standalone fire and rescue authorities will apply. Thresholds remain unchanged for most, with small increases for police.
  - Confirmed there would be no limits for Mayoral Combined Authorities
  - Rural Services Delivery Grant and Services Grant **removed entirely**.
  - Minimum Funding Guarantee reduced from 4% before council tax to 0% after council tax.
  - Standalone FRAs' Core Spending Power rises by 2.8% (on average) in 2025-26. This assumes that all FRAs utilise the full £5 council tax flexibility which raises Council Tax Requirement by 6.7%.
  - Standalone FRAs are not eligible for the one-off Recovery Grant.
  - FRAs' Core Spending Power is now made up of only Settlement Funding Assessment (inc. Under indexation Compensation for Business Rates) and Council Tax.
  - NICs Compensation to total £515m for all local government (inc. FRAs) based on Net Current Expenditure - not expected to fully cover costs.
- 3.13 Funding Guarantee
- 3.14 A Funding Guarantee for 2024/25 ensured that all Local Authority's (including Fire Authorities) would see at least a 4% increase in Core Spending Power before 'organisational efficiencies' (i.e., internal savings), use of reserves and council tax precept increases (although taxbase growth was included).
- 3.15 Over 75% of the 44 English fire and rescue authorities received an allocation from the Funding Guarantee in 2024/25, including North Yorkshire which received £669k.

- 3.16 For 2025-26, the minimum funding guarantee, in its current form, 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.”
- 3.17 The impact of the removal of this guarantee and the redistribution into other areas within the Local Government settlement results in a reduction in funding for North Yorkshire Fire of £669k.
- 3.18 Services Grant
- 3.19 In 2022-23 services grant was £822m, reducing to £483m in 2023-24 and £87m in 2024-25. This will be removed entirely from 2025-26.
- 3.20 North Yorkshire Fire received £43k from this Grant which will no longer be received in 2025/26 and beyond.
- 3.21 Rural Services Delivery Grant
- 3.22 Following a £10m increase in 2023-24 and an additional £15m in 2024-25, the rural services delivery grant totalled £110m in 2024-25. This has been removed entirely in the policy paper for 2025-26.
- 3.23 The policy paper states that “funding from the Rural Services Delivery Grant will be repurposed through improved methods to target funding toward areas with greater need and demand for services, whilst investing in the priority services people care about such as adult and children’s social care. The government believes that the Rural Services Delivery Grant is outdated and does not properly assess rural need. A large share of predominantly rural councils receive nothing from the Rural Services Delivery Grant. Put simply, it does not do as it claims. This is clearly not right, and the government is keen to hear from councils about how best to consider the impact of rurality on the costs of service delivery, and demand, as part of our longer-term consultations on local authority funding reform.”
- 3.24 The impact on North Yorkshire Fire is the loss of £699k per year in terms of Rural Services Delivery Grant.

- 3.25 What does this mean for North Yorkshire Fire in 2025/26 in terms of Funding?
- 3.26 Based on the Fire Element of the precept being proposed, of £107.02 for a Band D property, then the overall impact on the Core Spending Power for the organisation is set to increase by 18.2%, or just over £7.3m, as set out in the table below:

Local and Government Funding	2025/26	2024/25	(Increase)/Reduction	Year on Year Change
	£000s	£000s	£000s	%age
<b>Government Funding</b>				
Total Settlement Funding	(11,185)	(11,028)	(157)	1.4%
Rural Services Grant	0	(699)	699	-100.0%
Services Grant/Funding Guarantee	0	(712)	712	-100.0%
Compensation for Underindexing of Business Rates	(1,381)	(1,315)	(66)	5.0%
<b>Total Government Funding</b>	<b>(12,567)</b>	<b>(13,755)</b>	<b>1,188</b>	<b>-8.6%</b>
<b>Impact of a £24 increase in Band D Precept</b>				
Net Surplus on Collection Funds	(166)	(205)	40	
Council Tax Requirement	(34,699)	(26,160)	(8,539)	
<b>Total Local Funding</b>	<b>(34,865)</b>	<b>(26,365)</b>	<b>(8,499)</b>	<b>32.2%</b>
<b>Total Government + Local Funding</b>	<b>(47,431)</b>	<b>(40,120)</b>	<b>(7,311)</b>	<b>18.2%</b>

- 3.27 These numbers are subject to potential changes when the final settlement figures are provided during February.
- 3.28 Funding beyond Core Spending Power
- 3.29 National Insurance Compensation Funding
- 3.30 The Autumn Budget included an increase to employer's National Insurance contributions and corresponding compensation for the Public Sector.
- 3.31 The additional costs to the Fire Service of these increases is expected to be around £600k.
- 3.32 While the funding to support these additional costs has not yet been announced it is not expected that these costs will be fully funded. Based on the overall level of funding available across the Local Authority settlement, it is estimated at this stage that NYFRS will receive around 50% of the additional costs – with an estimate included within the current numbers of a grant that totals £265k.
- 3.33 The exact levels are expected to be confirmed as part of the final settlement however an unexpected pressure of £335k is currently projected.
- 3.34 Fire Pensions Grant
- 3.35 Last year the Home Office announced that there would be a 2024-25 Fire Pensions Grant of £85.3m, this was to compensate for an increase in the Employers Pension Contribution Rate into the Fire Pension Fund of 8.8%.
- 3.36 This allocated £1,336k to North Yorkshire Fire which was lower than our calculated need by £50k.

- 3.37 This Grant has not been confirmed for 2025/26 yet but is expected to remain unchanged which in effect is a real terms reduction given that pension contributions are linked to pay, and pay is higher than it was 12 months ago.
- 3.38 It is forecast that the gap between the Grant and the payment of Pension Contributions will increase to around £180k in 2025/26.
- 3.39 It is expected that the additional Pensions grant funding (as well as other specific grants for fire and rescue) will only be allocated on a one-year basis by the Home Office, with future years subject to Spending Review in the usual way.
- 3.40 Firelink Grant
- 3.41 The Home Office had previously written to Fire Authorities during 2022/23 indicating that this grant will be phased out by 2026/27. Therefore the £230k that was received by North Yorkshire in 2021/22 will reduce by £45k per year. The grant is not included within the Core Spending Power analysis.
- 3.42 Flooding and Water Rescue
- 3.43 There continues to be no funding provides to Fire Services in relation to Flooding and Water Rescue, this is because in England, fire and rescue authorities do not have a statutory duty to respond to water rescue or flooding incidents. The only possible exception is a road traffic incident involving water, which is a specified duty.
- 3.44 Therefore while this work clearly is undertaken within North Yorkshire this Fire Service is not funded to provide these resources.

### **Funding for 2026/27 and beyond**

- 3.45 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.
- 3.46 Until the outcomes of the Spending Review in 2025 there is very little formal guidance for future plans.
- 3.47 The current plan has therefore assumed that Government Funding will continue to increase by CPI and that this will be 2%.
- 3.48 The current plan also assumes that Mayoral Combined Authorities will continue to be afforded precept flexibility within no capping, and that the Fire element of the Mayoral General Precept will increase by £6 per year for the next 2 years.
- 3.49 MTFP Assumptions  
A review of the assumptions within the MTFP has been undertaken, these will remain under review and are updated with the best information available, the current assumptions incorporated into the MTFP for 2025/26 and beyond are as follows:
- Pay Awards: Firefighter Pay Increases of 4% in 2025/26, with staff increases of 2.5%
  - Precept: Increases of £6 per annum in 2026/27 and 2027/28 and then £3.30 in 2028/29
  - Tax Base increases 1.3% in 2025/26 and 2026/27 with increases of 1.0% thereafter,
  - Government Grants: CPI increases of 2% per year
  - Nil impact from any Funding Reform
  - Nil impact from Business Rates Reset
  - Inflation: 2% for most non-pay areas from 26/27 onwards.
  - Any pensions changes are fully funded by the Government.



### 3.43 **Income Forecasts**

3.44 Based on these revised assumptions and the information received and forecast around other areas of funding then the entire funding expected to be available for the Fire Service for the next 4 years, in comparison to 2024/25, is as follows:

	Approved Budget 2024/25 £'000	Forecast Budget 2025/26 £'000	Forecasts		
			2026/27 £'000	2027/28 £'000	2028/29 £'000
<b>Funding</b>					
Total Settlement Funding	(11,028)	(11,185)	(11,409)	(11,637)	(11,870)
Rural Services Grant	(699)	0	0	0	0
Council Tax Precept	(26,160)	(34,699)	(37,121)	(39,600)	(41,105)
Council Surplus/Deficit	(205)	(166)	(130)	(130)	(130)
NNDR Surplus/Deficit	48	54	0	0	0
<b>Funding for the Net Budget Requirement</b>	<b>(38,044)</b>	<b>(45,996)</b>	<b>(48,660)</b>	<b>(51,367)</b>	<b>(53,105)</b>
%age change in Net Budget Requirement	9.6%	20.9%	5.8%	5.6%	3.4%
S31 NDR Grants and Specific Grants	(5,599)	(4,666)	(4,672)	(4,186)	(4,132)
General Income	(1,197)	(937)	(915)	(942)	(970)
<b>TOTAL FUNDING</b>	<b>(44,840)</b>	<b>(51,599)</b>	<b>(54,248)</b>	<b>(56,495)</b>	<b>(58,207)</b>
%age change in Total Funding	11.4%	15.1%	5.1%	4.1%	3.0%

3.45 Once all funding sources have been factored in then we currently forecast that Total Funding will increase by just under **£6.8m**, or 15.1% in 2025/26.

### 3.46 **Pay Increases and Inflation Pressures**

3.47 While the overall increases in Total Funding seem reasonable across the life of the plan, and very good in 2025/26, it is important to reflect on the additional costs that need to be funded from these increases.

#### Impact of 2024/25 Pay Settlements

3.48 The 2024/25 pay budgets had forecast that pay awards would be 2.5% for Staff during 2024/25 and 3% for Firefighters, reflecting an assumption of an above inflation pay award during a time of expected falls in inflation.

3.49 In terms of Firefighter Pay, for 2024/25 the National Employers have agreed, amongst other proposals, to the following:

- A 4.0% increase on all basic pay rates and Continual Professional Development payments with effect from 1 July 2024.
  - The impact of this are **additional recurring costs of £235k**
- The annual retainer for an employee providing full cover (which is defined as cover of at least 120 hours per week) is 15% of the appropriate annual basic pay.
  - The impact of this are **additional recurring costs of £785k**

3.50 In terms of Staff Pay, the National Employers have agreed the following offer:

- With effect from 1 April 2024, an increase of £1,290 (pro rata for part-time employees) to be paid as a consolidated, permanent addition on all NJC pay points 2 to 43 inclusive. (this results in increases of 5.77% for anyone on pay point 2 down to 2.5% for those on pay point 43 and above)
- With effect from 1 April 2024, an increase of 2.50 per cent on all pay points above the maximum of the pay spine but graded below deputy chief officer (in accordance with Green Book Part 2 Para 5.4)
- With effect from 1 April 2024 an increase of 2.50 per cent on all allowances (as listed in the 2023 NJC pay agreement circular dated 1 November 2023)
  - The impact of the above are **additional recurring costs of £155k**

#### 2025/26 Pay Assumptions

3.51 In addition to the current year position on pay the MTFP now forecasts that the pay award for Firefighters will be 4% and for Staff it will be 2.5% for 2025/26.

3.52 The impact of changing these assumptions are that **additional costs of £510k** has been added to the previously projected budget for 2025/26.

3.53 Each 1% higher than these assumption would add a further £340k per year to the position in this report.

#### Changes to the Local Government Pensions Contribution Rates

3.54 Prior to the transfer to the Combined Authority the former PFCC FRA had been informed by the Actuary that the Employers Contribution Rate into the Local Government Pension Scheme for employees of the Fire Authority would be as follows:

- 2024/25 - 10% (agreed)
- 2025/26 - 6.6% (agreed)

3.55 The budget for future years was then forecast to be based on 7.2%, although this would be subject to an actuarial review.

3.56 It was confirmed during 2024/25 that on the transfer to the Combined Authority the contributions to the Local Government Pension Scheme, for all employees of the Combined Authority (which includes Fire Staff), would be 14.4%.

3.57 The impact of this increase in contribution rates are **additional recurring costs of £495k per year.**

Increases in Employer's National Insurance contributions

- 3.58 The Autumn Budget included an increase to employer's National Insurance contributions, which increase the contribution rate from 13.8% to 15% and also lowered the point at which Employers National Insurance is paid from £9,100 to £5,000.
- 3.59 The impact of this increase in contribution rates are **additional recurring costs of £600k per year**.
- 3.60 The impact of these assumptions and changes are additional costs of almost £3.1m in 2025/26, in comparison to the 2024/25 position. The costs make up the majority of the £2.8m increase in the forecast pay budget included within the table below:

<b>Forecast additional Pay Costs</b>	
	<b>2025/26</b>
	<u>£000s</u>
Impact of 24/25 Support Staff Pay Award	155
Impact of 24/25 Firefighter Pay Award	235
Impact of 24/25 On-Call Firefighter Retainer Increase	785
Increase in LGPS Pension Contribution Rate	395
Increase in National Insurance Contribution Rates	600
Assume 4%/2.5% Pay Awards in 25/26	915
Incremental Drift and Other sundry movement	(265)
<b>Total Forecast Additional Pay Costs</b>	<b>2,820</b>

- 3.61 In addition to pay pressures, there are a significant number of non-pay pressures in 2025/26.

<b>Impact of Inflation and Pressures/Growth on Non-pay Budgets:</b>	
	<b>2025/26</b>
	<u>£000s</u>
Training/Indirect Staff Costs	115
Premises	70
Supplies and Services	310
External Service Agreements	25
PFI (inc. capital element)	55
Injury/Medical Pensions	100
Capital Charges and Contributions	455
<b>Total Forecast Additional Non-Pay Costs</b>	<b>1,130</b>

- 3.62 The areas of significant increase are as follows:
- 3.63 **Indirect Staff Costs** are forecast to increase by £115k, after savings, predominantly as a result of increased need for operational training.
- 3.64 **Premises Costs** are forecast to increase by £70k after savings, mostly as a result of higher business rates and then wider general inflation.

- 3.65 **Supplies and Services Costs** are forecast to increase by £310k, predominantly as a result of:
- Microsoft Licences, Power BI and IT contracts - £180k
  - Operational Equipment - £60k
  - Smoke Detectors - £50k
  - Insurance Premiums - £35k
- 3.66 **PFI Costs** are forecast to increase by £55k as the contract price is linked to RPI increases.
- 3.67 **Injury and Medical Retirements Pensions** are forecast to increase by £100k due to a number of Medical/Injury Retirements agreed during 2024/25.
- 3.68 **Capital Financing Costs** are forecast to increase by £455k in 2025/26. Most of this relates to increases in Revenue Contributions into the Capital Programme to reduce the need to borrow to fund some of the significant Capital Programme.
- 3.69 Putting together all of the cost increases, results in potential additional costs and pressures of just under £4.0m as set out within the table below, in addition to this movements on reserves to stabilise the financial position of the Service, and provide for Change are shown at just over £2.8m.

<b>Forecast additional Pay Costs</b>	
	<b>2025/26</b>
	<u>£000s</u>
Impact of 24/25 Support Staff Pay Award	155
Impact of 24/25 Firefighter Pay Award	235
Impact of 24/25 On-Call Firefighter Retainer Increase	785
Increase in LGPS Pension Contribution Rate	395
Increase in National Insurance Contribution Rates	600
Assume 4%/2.5% Pay Awards in 25/26	915
Incremental Drift and Other sundry movement	(265)
<b>Total Forecast Additional Pay Costs</b>	<b>2,820</b>
<b>Impact of Inflation and Pressures/Growth on Non-pay Budgets:</b>	
	<b>2025/26</b>
	<u>£000s</u>
Training/Indirect Staff Costs	115
Premises	70
Supplies and Services	310
External Service Agreements	25
PFI (inc. capital element)	55
Injury/Medical Pensions	100
Capital Charges and Contributions	455
<b>Total Forecast Additional Non-Pay Costs</b>	<b>1,130</b>
<b>Changes to Reserve Movements</b>	<b>2,805</b>
<b>Potential Additional Costs and Pressures</b>	<b>6,755</b>

3.70 These costs are **after including savings of £400k** to be delivered during 2025/26.

3.71 Projected increases in income in future years are expected to be higher than inflation and pay awards, based on the Mayor exercising further precept flexibility.

3.72 This will not reduce the need for the Service to become either more efficient and/or change its future operating model to be able to deliver an improving service to the public of North Yorkshire and invest further in the future beyond the currently agreed RRM proposals.

### 3.73 **Savings Plans**

3.74 The search for savings and efficiencies continues to receive a lot of focus and a further **£400k of non-pay savings/reductions** (equivalent to around 3.5% of our Indirect staff and non-staff costs) have been factored into the 2025/26 MTFP, these are summarised below:

- Supplies and Services - £250k
- Premises Costs - £105k
- Transport - £25k
- Other - £20k

### 3.75 **Risk and Resource Model**

3.76 On the 27<sup>th</sup> September 2022 the former Commissioner [approved](#) the new North Yorkshire Fire and Rescue Service Risk and Resource Model 2022-25, subject to stipulations placed on some proposals.

3.77 The changes that have the most impact in terms of cashable efficiencies were as follows:

- That the proposal to change Huntington to an On-call fire station be approved. – **this was implemented in 2023/24**
- That the proposal to replace the Tactical Response fire engine at Harrogate with an Emergency Rescue fire engine which will be crewed only during peak demand hours be approved.
  - The final solution to this element of the RRM was agreed in November 2024. Resulting in the second fire engine at Harrogate, currently a Tactical Response Vehicle (TRV), being replaced with a standard B-Type fire engine, capable of attending all incident types as the first fire engine. Additionally, the duty system for this second fire engine will be changed to day-crewed.
  - The above solution will result in savings of around £170k, which is about £90k lower than the originally proposed solution and will

result in lower investment than would otherwise have been possible.

- That the proposal to replace the Tactical Response fire engine at Scarborough with an Emergency Rescue fire engine which will be crewed only during peak demand hours be approved, subject to certain stipulations.
  - Planned implementation was 2025/26, however it has now been assumed, from a financial perspective, that implementation would be from the start of 2026/27.
  - It is also assumed, from a financial perspective, that the implementation would be similar to the solution agreed in Harrogate and therefore the savings would be around £170k.

3.78 The financial plans for 2025/26 and beyond assume that all of the remaining proposals set out within this decision are implemented, including the investment in On-Call availability and investment in Prevention and Protection removing the need to staff an Operational Staffing Reserve – saving £405k from 2026/27 (which as with the proposal for Scarborough has been assumed to take 1 year longer than previously assumed)

3.79 The timing of the actual delivery of these changes will be tracked through the year to inform financial forecasts and to ensure future plans align with their delivery.

### 3.80 **Transformation and Investment**

3.81 As well as the above efficiencies the new RRM approved a number of investments as part of the transformation of the service.

3.82 Those investments covered the following areas:

- That the proposal to enhance prevention and protection services and increase resources with additional firefighter and non-firefighter roles be approved and adopted – **phase 1 of this investment was agreed during 2023/24 with recruitment in roles during 2024/25.**
- Phase 2 remains planned from 2025/26.
- That the introduction of a swift water rescue capability at Skipton be expedited – **this was implemented during 2023/24**
- That plans to reform, improve and enhance the On-call service in North Yorkshire be progressed to full business case. Work is progressing in this area and the recent National changes to the On-Call Retainer has resulted in the investment of £785k into the pay for On-Call Firefighters from 2025/26.

- 3.83 A number of the plans in this area will continue to be developed and firmed up however for financial planning purposes there is an assumed phased implementation in line with the below:
- Prevention and Protection – phase 2 + £107k, 2.5 FTEs from April-25
  - On-Call Investment
    - 2025/26 – nil beyond the £785k investment in pay – unless other RRM changes are made earlier than currently assumed.
    - 2026/27 - £535k
- 3.84 As set out within the RRM consultation and subsequent decision making all of the efficiencies from the RRM work are planned for re-investment into the Service and have not been used to balance the budget.
- 3.85 To ensure financial balance the implementation of all aspects of the RRM will need to align to ensure that the investments are not undertaken in advance of the delivery of the efficiencies.
- 3.86 Where the efficiencies can be delivered sooner than assumed this will allow for some elements of the Transformation and Investment programme to be brought forward too.

3.87 What does this mean for the overall Financial Position in 2025/26?

3.88 There are a number of areas that remain outstanding at this point in the development of the 2025/26 budget and the MTFP however a summary of the current position is shown below:

	Approved Budget 2024/25 £'000	Forecast Budget 2025/26 £'000	Forecasts		
			2026/27	2027/28	2028/29
			£'000	£'000	£'000
<b>Funding</b>					
Total Settlement Funding	(11,028)	(11,185)	(11,409)	(11,637)	(11,870)
Rural Services Grant	(699)	0	0	0	0
Council Tax Precept	(26,160)	(34,699)	(37,121)	(39,600)	(41,105)
Council Surplus/Deficit	(205)	(166)	(130)	(130)	(130)
NNDR Surplus/Deficit	48	54	0	0	0
<b>Funding for the Net Budget Requirement</b>	<b>(38,044)</b>	<b>(45,996)</b>	<b>(48,660)</b>	<b>(51,367)</b>	<b>(53,105)</b>
%age change in Net Budget Requirement	9.6%	20.9%	5.8%	5.6%	3.4%
S31 NDR Grants and Specific Grants	(5,599)	(4,666)	(4,672)	(4,186)	(4,132)
General Income	(1,197)	(937)	(915)	(942)	(970)
<b>TOTAL FUNDING</b>	<b>(44,840)</b>	<b>(51,599)</b>	<b>(54,248)</b>	<b>(56,495)</b>	<b>(58,207)</b>
%age change in Total Funding	11.4%	15.1%	5.1%	4.1%	3.0%
<b>Expenditure</b>					
Wholetime Firefighters	20,757	21,900	22,397	23,293	24,225
On Call Firefighters	4,487	5,221	5,964	6,203	6,451
Support Staff - Fire	2,615	3,091	2,953	3,028	3,097
Support Staff - Enable	2,458	2,833	2,905	2,979	3,046
Control Room Staff	946	1,039	1,081	1,125	1,165
<b>Direct Staff Costs</b>	<b>31,262</b>	<b>34,084</b>	<b>35,300</b>	<b>36,628</b>	<b>37,984</b>
<b>Indirect Staff Costs</b>	<b>651</b>	<b>767</b>	<b>667</b>	<b>710</b>	<b>688</b>
<b>Authority Costs</b>	<b>83</b>	<b>125</b>	<b>105</b>	<b>110</b>	<b>143</b>
<b>Premises</b>	<b>2,573</b>	<b>2,642</b>	<b>2,621</b>	<b>2,671</b>	<b>2,723</b>
<b>Transport</b>	<b>1,129</b>	<b>1,086</b>	<b>1,121</b>	<b>1,144</b>	<b>1,168</b>
<b>Supplies and Services</b>	<b>4,102</b>	<b>4,421</b>	<b>4,311</b>	<b>4,347</b>	<b>4,438</b>
<b>Operating Leases</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>External Service Agreements</b>	<b>262</b>	<b>286</b>	<b>304</b>	<b>309</b>	<b>315</b>
<b>PFI (inc. capital element)</b>	<b>1,883</b>	<b>1,939</b>	<b>2,005</b>	<b>1,399</b>	<b>1,278</b>
<b>TLT Budget</b>	<b>50</b>	<b>40</b>	<b>41</b>	<b>42</b>	<b>42</b>
<b>Total Indirect Staff and Non Staff Costs</b>	<b>10,734</b>	<b>11,308</b>	<b>11,175</b>	<b>10,732</b>	<b>10,796</b>
<b>PENSIONS</b>	<b>1,044</b>	<b>1,144</b>	<b>1,207</b>	<b>1,104</b>	<b>1,184</b>
<b>CHARGES</b>	<b>43,040</b>	<b>46,536</b>	<b>47,682</b>	<b>48,464</b>	<b>49,964</b>
<b>Provision for Debt Repayment</b>	<b>1,141</b>	<b>1,090</b>	<b>1,195</b>	<b>1,187</b>	<b>1,123</b>
<b>External Interest</b>	<b>713</b>	<b>798</b>	<b>1,082</b>	<b>1,396</b>	<b>1,568</b>
<b>Revenue Contribution to Capital</b>	<b>286</b>	<b>707</b>	<b>3,009</b>	<b>3,974</b>	<b>4,301</b>
<b>Total Capital Charges</b>	<b>2,140</b>	<b>2,594</b>	<b>5,286</b>	<b>6,557</b>	<b>6,993</b>
<b>TOTAL EXPENDITURE BUDGET</b>	<b>45,180</b>	<b>49,130</b>	<b>52,968</b>	<b>55,021</b>	<b>56,956</b>
<b>(Surplus)/Deficit before Reserves</b>	<b>339</b>	<b>(2,469)</b>	<b>(1,280)</b>	<b>(1,474)</b>	<b>(1,250)</b>
<b>Planned Transfers to/(from) Earmarked Reserves:</b>					
<b>New Developments and Change Reserve</b>	<b>(318)</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Pensions, Pay &amp; Price Reserve</b>		<b>910</b>			
<b>Home Office ESMCP Reserve</b>				<b>194</b>	
<b>Home Office Protection Uplift Grant Reserve</b>	<b>(74)</b>	<b>(141)</b>			
<b>Collection Fund reserve</b>	<b>(22)</b>				
<b>Planned Transfers to/(from) General Fund</b>	<b>75</b>	<b>700</b>	<b>280</b>	<b>280</b>	<b>250</b>
<b>(Surplus)/Deficit After Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

3.89 The Service is projecting a surplus before Reserves in each year of the MTFP.

3.90 This surplus is being used to increase the General Reserve from 3% of Net Budget to 5% over the 4 years of the financial plan.



- 3.91 It replaces funding from the Pay, Price and Pension Reserve than is being used during 2024/25 to pay for higher than budgeted pay awards, and increases the reserve to support and additional costs that might arise from this area in 2025/26 and beyond.
- 3.92 There is also the addition of £1m per year into a 'Change and New Developments Reserve' to enable the Fire Service to start to invest into, and continue to improve the Service.
- 3.93 Fire Reserves
- 3.94 While the Fire Budget is part of the wider Combined Authority Budget the Fire Reserves are still separately identifiable and will continue to be used solely for investment in the Fire Service.
- 3.95 Attached at Appendix 3 is a forecast on the levels of Reserves within North Yorkshire Fire over the period of the Medium Term Financial Plan.
- 3.96 Overall reserves are forecast to increase from £5.8m at the start of 2024/25 to around £11.5m by the end of 2028/29 however this reflects the Reserve set aside for Change which will be drawn down during the planning period.
- 3.97 As previously set out Reserves were really low within North Yorkshire Fire and the plans set out within this report will ensure that these Reserves are bolstered and that the Service is on a much more secure financial footing going forward.
- 3.98 The lower reserves are also now mitigated, to some extent, by the additional precept flexibility that the Mayor now has. Should unexpected costs for higher pay awards, for example, materialise within the next financial year then these pressures could be funded from Reserves in the short term and then addressed as part of any future precept proposals, as/if needed.
- 3.99 The impact of the financial settlement, the proposed Fire Element of the Mayoral General precept, and the savings and efficiency plans, has enabled the Service to meet the significant financial pressures from both pay and non-pay inflation. As well as this the Service has incorporated into its balanced MTFP its plans for investing and transforming the Service and has also set out a recurring balanced MTFP that is projected to show a surplus in each year of the plan that has been set aside to fund much need Change and investment within the Service.
- 3.100 It is important to recognise that there will be some changes to these financial plans and these will be confirmed as part of the budget setting process during February.

## **4 CAPITAL**

### **4.1 Capital Investment Plans**

- 4.2 As previously mentioned there continues to be a need for some significant investment within the Estate from which the Fire Service operates. Some of this required immediate attention to ensure that the buildings were both accessible to a more diverse workforce and the public, where needed. Funds were set aside to address this and the work was completed in 2024/25.
- 4.3 In addition to this a complete refurbishment of Ripon Fire Station, to make it a joint base for Fire and Police is expected to be complete during 2024/25.
- 4.4 As with Ripon, there is a need to assess entire buildings and determine whether they are suitable for the delivery of modern day services. While affordability will remain a key challenge, plans to refresh the estate continue to be developed. The current Capital plans are set out at Appendix 2.
- 4.5 These plan incorporate the outcomes from the findings of the 2024/25 stock condition surveys (of the Fire Estate) and set out the need to spend around £740k across 10 of the Fire Stations within 2025/26 to address the highest areas of need identified within those surveys.
- 4.6 In addition to the need to invest in the Estate it has also been a challenge to replace some elements of the Fire Fleet over the last couple of years primarily due to the pandemic. This was expected to change during 2023/24, or early into 2024/25, however this has remained an area of challenge with delivery from the Supplier, which has also been an issue experienced by other Fire Services.
- 4.7 The Service has placed orders for 16 new Fire Appliances, delivery of the first 6 will now take place in 2024/25 with a further 6 to follow in the first quarter of 2025/26, with the final 4 expected for delivery by the end of Sept-25.
- 4.8 In total these 16 new Fire Appliances will cost around £5.3m.
- 4.9 Delivery of new Breathing Apparatus is expected during 2024/25, with £1.6m set aside to fund this. This will be a significant investment by the Service and brings this vital piece of equipment fully up to date.
- 4.10 All of these plans will be refreshed, refined, prioritised and kept under close review to ensure that they are both affordable and necessary.
- 4.11 While the Capital Plans for the Fire Service are separately managed to the wider Combined Authority the organisation as a whole will look to benefit from the powers that the Mayor has for delivering in this area, especially around Estates.

## **5 Public Consultation**

5.1 To further inform the decision around the Fire Element of the proposed precept for 2025/26 consultation has been undertaken with the public to ascertain their feedback and thoughts on this subject.

5.2 The consultation is being conducted via an online survey.

5.3 The public were **initially** asked the following:

5.4 North Yorkshire Fire and Rescue Service has a budget of £45 million. Around £27 million of this (60 per cent), comes from a precept on your council tax.

In the past, there has been significant underinvestment in North Yorkshire Fire and Rescue Service. The Service needs at least £5 million more than last year to maintain current service levels and to provide investment and essential improvements to fire stations, training and equipment. Most of this would need to be raised through the precept.

5.5 This Mayor is committed to addressing the underinvestment by increasing the amount of precept for North Yorkshire Fire and Rescue Service.

5.6 The following options are based on an average Band D property currently paying £83.02 each year for Fire and Rescue. How much more would you be prepared to pay per year, through your council tax for fire and rescue services?

- Up to £6 a year more (50 pence per month)  
This would raise around £1.9 million but could result in a reduction in the delivery of services and resources which may put firefighter and public safety at risk.
- Up to £15 a year more (£1.25 per month)  
This would raise around £4.7 million, allowing the Service to maintain the current delivery of services and make some improvements. For example, it would help fund crucial upgrades to fire stations, enhance firefighter safety and welfare with better equipment and training, and reduce debt, making your fire service more stable and financially secure
- Up to £24 a year more (£2 per month)  
This would raise around £7.5 million, allowing enhanced investments in fire stations and other buildings, vehicles, training, equipment, and firefighter safety and welfare. It would reduce debt and create a financially secure Service for the future. It would also enhance other areas of service delivery from prevention and protection to emergency response which would help improve public safety.

5.7 Subsequently to this an amendment to consultation was added which was as follows "*On December 18th, the Government announced its new funding*

*package for fire and rescue services. From 1 April 2025, North Yorkshire Fire and Rescue Service will receive around £2 million less than expected due to the removal and reduction of grants and higher national insurance contributions."*

5.8 *"To maintain the current delivery of services AND provide investment, council tax for a typical Band D property would now need to increase by up to £24. The £15 option would no longer allow for investment."*

5.9 In total 2,063 responses to the financial aspects of the survey were received via the open online survey. The open survey was published on the PFCC website and promoted widely via social media.

5.10 A summary of the overall results is shown below:

- Up to £6 increase – 32%
- Up to £15 increase – 32%
- Up to £24 increase – 35%

5.11 Further details on the consultation are attached at Appendix 4.

## **6. Financial Implications**

## 6.1 The Tax Base

The two local Councils have notified the Mayor of their tax bases for 2025/26 as set out in the table below:

<b>Tax Base</b>		
	<b>2025/26</b>	<b>2024/25</b>
	Net Tax Base	Net Tax Base
North Yorkshire Council	254,805	246,010
York City Council	69,426	69,098
<b>Total</b>	<b>324,231</b>	<b>315,107</b>
<b>Annual Increase/(Decrease)</b>	<b>9,124</b>	
<b>Percentage Increase/(Decrease)</b>	<b>2.90%</b>	

6.2 The tax base is expressed in terms of Band D equivalent properties. Actual properties are converted to Band D equivalent by allowing for the relevant value of their tax bands as set down in legislation (ranging from 2/3rds for Band A to double for Band H; discounts for single person occupation, vacant properties, people with disabilities etc;) and a percentage is deducted for non-collection. Allowance is also made for anticipated changes in the number of properties.

6.3 The tax base calculated by the billing authorities differ from the figures used by the Government (which assumes 100% collection) in calculating Grant Formula entitlements.

6.4 As can be seen from the table above the number of Band D equivalent properties across North Yorkshire has increased significantly in 2025-26, in comparison to 2024-25, by 9,124 – this equates to an increase of 2.90%.

6.5 The higher than usual increase has been driven by the change in policy within the North Yorkshire Council area where Second Homes within the Council Area pay Council Tax at double the effective rate. This policy change has added an additional 5,465.60 Band D Equivalent properties to the Council Tax base, and based on the proposed precept generates an additional £585k for investment in the Fire and Rescue Service.

6.6 The 2025/26 tax base is therefore 324,231.47 Band D Equivalent properties

## 6.7 Setting the Council Tax

- 6.8 The precept calculation needs to take account of any net surplus or deficit on the billing authority collection funds. Projected surplus/deficits on the individual funds, relating to Fire are shown in the table below.

Collection Funds Surplus/ (Deficit)	
	£
North Yorkshire Council	189,173
York City Council	(23,628)
<b>Net Surplus/(Deficit) on Collection Fund</b>	<b>165,545</b>

- 6.9 The surpluses/deficit that have arisen need to be returned through the precept. The final precept to be levied will reflect the position on each council's collection fund.
- 6.10 Precept Calculations for the Fire Element of the Mayoral General Precept  
The precept calculations for the Fire Element of the Mayoral General Precept are set out in the tables below based on a £24 increase:

Proposed Fire element of Mayoral General Precept - £24 Increase			
	Unadjusted Precept	Collection Fund Balance	Council Tax Requirement
	£	£	£
North Yorkshire Council	27,458,444	189,173	27,269,271
York City Council	7,406,353	(23,628)	7,429,981
<b>Total Precept</b>	<b>34,864,797</b>	<b>165,545</b>	<b>34,699,252</b>

- 6.11 The 'basic amount' of council tax is the rate for a Band D property. It is calculated by dividing the Council Tax Requirement by the total tax base i.e. £34,699,252 by 324,231.47 giving a council tax rate for Band D properties of £107.02.
- 6.12 The proposed council tax rate for each property band is determined in accordance with the statutory proportions and is set out in the table below, it also shows the increases for each Band in comparison to 2024/25 for the Fire Element of the Mayoral General Precept. It is advised that the tax rates should be calculated to more than 2 decimal places.

Fire Element of Mayoral Council Tax Precept Band Amounts and Increases				
Property Band	£24 increase			
	2025/26	2024/25	Increase per Annum	Increase per Week
	£	£	£	£
A	71.347	55.347	16.00	0.31
B	83.238	64.571	18.67	0.36
C	95.129	73.796	21.33	0.41
D	107.020	83.020	24.00	0.46
E	130.802	101.469	29.33	0.56
F	154.584	119.918	34.67	0.66
G	178.367	138.367	40.00	0.77
H	214.040	166.040	48.00	0.92

## **7 Conclusion**

7.1 I have considered various options and various factors in deliberating on my Fire budget for 2025/26. I have taken into account the needs for the delivery of high levels of Fire and Rescue Services within North Yorkshire, many years of underinvestment in the service, I have spoken with the Chief Fire Officer and have consulted with the public.

7.2 The Panel is therefore asked to note and comment, as appropriate, on

- The overall budget proposed for NYFRS.
- The proposed £24 increase in the level of the Mayoral Fire Precept to fund significant cost pressures and reductions in funding.
- The improved position on reserves and how this is going to significantly improve the stability of the finances of North Yorkshire Fire and Rescue Service
- The proposed fire service capital programme and proposals for funding.
- The medium-term financial position for NYFRS covered by the Mayoral precept.

Further to this the following additional Appendices are also attached:

- Appendix 1 – Draft Budget based on a £24 Fire Precept Increase
- Appendix 2 – Draft Capital Budget
- Appendix 3 – Draft Forecast Reserves Schedule
- Appendix 4 – Precept Consultation Report

APPENDIX 1					
	Approved Budget 2024/25 £'000	Forecast Budget 2025/26 £'000	Forecasts		
			2026/27	2027/28	2028/29
			£'000	£'000	£'000
<b>Funding</b>					
Total Settlement Funding	(11,028)	(11,185)	(11,409)	(11,637)	(11,870)
Rural Services Grant	(699)	0	0	0	0
Council Tax Precept	(26,160)	(34,699)	(37,121)	(39,600)	(41,105)
Council Surplus/Deficit	(205)	(166)	(130)	(130)	(130)
NNDR Surplus/Deficit	48	54	0	0	0
<b>Funding for the Net Budget Requirement</b>	<b>(38,044)</b>	<b>(45,996)</b>	<b>(48,660)</b>	<b>(51,367)</b>	<b>(53,105)</b>
%age change in Net Budget Requirement	9.6%	20.9%	5.8%	5.6%	3.4%
S31 NDR Grants and Specific Grants	(5,599)	(4,666)	(4,672)	(4,186)	(4,132)
General Income	(1,197)	(937)	(915)	(942)	(970)
<b>TOTAL FUNDING</b>	<b>(44,840)</b>	<b>(51,599)</b>	<b>(54,248)</b>	<b>(56,495)</b>	<b>(58,207)</b>
%age change in Total Funding	11.4%	15.1%	5.1%	4.1%	3.0%
<b>Expenditure</b>					
Wholetime Firefighters	20,757	21,900	22,397	23,293	24,225
On Call Firefighters	4,487	5,221	5,964	6,203	6,451
Support Staff - Fire	2,615	3,091	2,953	3,028	3,097
Support Staff - Enable	2,458	2,833	2,905	2,979	3,046
Control Room Staff	946	1,039	1,081	1,125	1,165
<b>Direct Staff Costs</b>	<b>31,262</b>	<b>34,084</b>	<b>35,300</b>	<b>36,628</b>	<b>37,984</b>
<b>Indirect Staff Costs</b>	<b>651</b>	<b>767</b>	<b>667</b>	<b>710</b>	<b>688</b>
<b>Authority Costs</b>	<b>83</b>	<b>125</b>	<b>105</b>	<b>110</b>	<b>143</b>
<b>Premises</b>	<b>2,573</b>	<b>2,642</b>	<b>2,621</b>	<b>2,671</b>	<b>2,723</b>
<b>Transport</b>	<b>1,129</b>	<b>1,086</b>	<b>1,121</b>	<b>1,144</b>	<b>1,168</b>
<b>Supplies and Services</b>	<b>4,102</b>	<b>4,421</b>	<b>4,311</b>	<b>4,347</b>	<b>4,438</b>
<b>Operating Leases</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>External Service Agreements</b>	<b>262</b>	<b>286</b>	<b>304</b>	<b>309</b>	<b>315</b>
<b>PFI (inc. capital element)</b>	<b>1,883</b>	<b>1,939</b>	<b>2,005</b>	<b>1,399</b>	<b>1,278</b>
<b>TLT Budget</b>	<b>50</b>	<b>40</b>	<b>41</b>	<b>42</b>	<b>42</b>
<b>Total Indirect Staff and Non Staff Costs</b>	<b>10,734</b>	<b>11,308</b>	<b>11,175</b>	<b>10,732</b>	<b>10,796</b>
<b>PENSIONS</b>	<b>1,044</b>	<b>1,144</b>	<b>1,207</b>	<b>1,104</b>	<b>1,184</b>
<b>CHARGES</b>	<b>43,040</b>	<b>46,536</b>	<b>47,682</b>	<b>48,464</b>	<b>49,964</b>
<b>Provision for Debt Repayment</b>	<b>1,141</b>	<b>1,090</b>	<b>1,195</b>	<b>1,187</b>	<b>1,123</b>
<b>External Interest</b>	<b>713</b>	<b>798</b>	<b>1,082</b>	<b>1,396</b>	<b>1,568</b>
<b>Revenue Contribution to Capital</b>	<b>286</b>	<b>707</b>	<b>3,009</b>	<b>3,974</b>	<b>4,301</b>
<b>Total Capital Charges</b>	<b>2,140</b>	<b>2,594</b>	<b>5,286</b>	<b>6,557</b>	<b>6,993</b>
<b>TOTAL EXPENDITURE BUDGET</b>	<b>45,180</b>	<b>49,130</b>	<b>52,968</b>	<b>55,021</b>	<b>56,956</b>
<b>(Surplus)/Deficit before Reserves</b>	<b>339</b>	<b>(2,469)</b>	<b>(1,280)</b>	<b>(1,474)</b>	<b>(1,250)</b>
<b>Planned Transfers to/(from) Earmarked Reserves:</b>					
<b>New Developments and Change Reserve</b>	(318)	1,000	1,000	1,000	1,000
<b>Pensions, Pay &amp; Price Reserve</b>		910			
<b>Home Office ESMCP Reserve</b>				194	
<b>Home Office Protection Uplift Grant Reserve</b>	(74)	(141)			
<b>Collection Fund reserve</b>	(22)				
<b>Planned Transfers to/(from) General Fund</b>	75	700	280	280	250
<b>(Surplus)/Deficit After Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Reserves</b>					
	£'000	£'000	£'000	£'000	£'000
General Fund Balance b/f	1,075	1,150	1,850	2,130	2,410
Proposed (use of)/contribution to General Fund	75	700	280	280	250
Current Year Forecast	0	0	0	0	0
General Fund Balance c/f	<b>1,150</b>	<b>1,850</b>	<b>2,130</b>	<b>2,410</b>	<b>2,660</b>
% of NBR	<b>3.0%</b>	<b>4.0%</b>	<b>4.4%</b>	<b>4.7%</b>	<b>5.0%</b>
<b>Employee Numbers (Budgeted as at 1st April)</b>					
	FTEs	FTEs	FTEs	FTEs	FTEs
Wholetime Firefighters	287.0	286.0	279.0	277.0	277.0
On Call Firefighters	342.0	342.0	342.0	342.0	342.0
Support Staff - Fire	63.0	64.5	60.5	60.5	60.5
Support Staff - Enable	51.0	51.8	51.8	51.8	51.8
Control Staff	18.5	17.5	17.5	17.5	17.5
<b>Assumptions</b>					
Staff Pay Increase	3%/2.5%	4% / 2.5%	4% / 2.5%	4% / 2.5%	4% / 2.5%
Non Pay Inflation	calculated	calculated	2.0%	2.0%	2.0%
Precept Increase	2.99%	28.9%	5.6%	5.3%	2.8%
Council Tax Base Increase	1.1%	2.9%	1.3%	1.3%	1.0%



<u>FIRE AND RESCUE SERVICE</u>					<b>APPENDIX 2</b>	
<u>CAPITAL PROGRAMME 2024/25 TO 2029/30</u>						
	Forecast 2024/25 £000	Estimated 2025/26 £000	Estimated 2026/27 £000	Estimated 2027/28 £000	Estimated 2028/29 £000	Estimated 2029/30 £000
<b>FUNDING</b>						
<b>Reserve Brought Forward</b>	<b>2,231</b>	<b>1,159</b>	<b>402</b>	<b>1,322</b>	<b>1,553</b>	<b>2,444</b>
Revenue Contribution to Capital Reserve	286	707	3,009	3,974	4,301	4,509
Internal Borrowing	4,732					
External Borrowing		3,790	650	650	650	650
Estates Replacement Borrowing		1,813	3,368	3,560	4,089	970
<b>TOTAL FUNDING</b>	<b>5,018</b>	<b>6,310</b>	<b>7,027</b>	<b>8,184</b>	<b>9,040</b>	<b>6,129</b>
<b>EXPENDITURE</b>						
Transport excluding Cars	2,295	3,052	1,894	1,533	508	2,179
Transport - Cars	328	429	0	0	855	0
Estates	838	1,290	650	650	650	650
ICT	1,031	381	194	510	347	878
Control System	0	0	0	1,700	1,700	0
Logistics	1,498	102	0	0	0	0
<b>TOTAL APPROVED CAPITAL PROGRAMME</b>	<b>5,990</b>	<b>5,254</b>	<b>2,739</b>	<b>4,393</b>	<b>4,060</b>	<b>3,707</b>
<b>ESTATES REPLACEMENT PROGRAMME</b>	<b>100</b>	<b>1,813</b>	<b>3,368</b>	<b>3,560</b>	<b>4,089</b>	<b>970</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>6,090</b>	<b>7,067</b>	<b>6,107</b>	<b>7,953</b>	<b>8,149</b>	<b>4,677</b>
Reserve Carried Forward	1,159	402	1,322	1,553	2,444	3,897

**Reserves Forecasts**

	APPENDIX 3										
	<b>Balance</b>	Transfers	<b>Balance</b>	Transfers	<b>Balance</b>	Transfers	<b>Balance</b>	Transfers	<b>Balance</b>	Transfers	<b>Balance</b>
	<b>at 31 March</b>	In/Out	<b>at 31 March</b>	In/Out	<b>at 31 March</b>	In/Out	<b>at 31 March</b>	In/Out	<b>at 31 March</b>	In/Out	<b>at 31 March</b>
	<b>2024</b>	2024/25	<b>2025</b>	2025/26	<b>2026</b>	2026/27	<b>2027</b>	2027/28	<b>2028</b>	2028/29	<b>2029</b>
	<b>£000</b>	£000	<b>£000</b>	£000	<b>£000</b>	£000	<b>£000</b>	£000	<b>£000</b>	£000	<b>£000</b>
Pensions, Pay & Price	904	(480)	424	910	1,334		1,334		1,334		1,334
New Development and Change Reserve	489	(318)	171	1,000	1,171	1,000	2,171	1,000	3,171	1,000	4,171
Insurance	80		80		80		80		80		80
Recruitment	175		175		175		175		175		175
Hydrants	100		100		100		100		100		100
Collection Fund	22	(22)	0		0		0		0		0
RRM	206		206	(206)	0		0		0	0	0
HO Grant - ESMCP/LTR	129		129	206	335		335	194	529		529
HO Grant - Protection Uplift	421	(225)	196	(141)	55		55		55		55
<b>Total Earmarked Reserves</b>	<b>2,525</b>	<b>(1,045)</b>	<b>1,480</b>	<b>1,769</b>	<b>3,249</b>	<b>1,000</b>	<b>4,249</b>	<b>1,194</b>	<b>5,443</b>	<b>1,000</b>	<b>6,443</b>
<b>Earmarked Capital Reserve</b>	<b>2,230</b>	<b>(1,072)</b>	<b>1,158</b>	<b>(757)</b>	<b>401</b>	<b>920</b>	<b>1,321</b>	<b>232</b>	<b>1,553</b>	<b>891</b>	<b>2,444</b>
<b>General Reserves</b>	<b>1,075</b>	<b>75</b>	<b>1,150</b>	<b>700</b>	<b>1,850</b>	<b>280</b>	<b>2,130</b>	<b>280</b>	<b>2,410</b>	<b>250</b>	<b>2,660</b>
<b>Total Usable Reserves</b>	<b>5,831</b>	<b>(2,042)</b>	<b>3,789</b>	<b>1,712</b>	<b>5,501</b>	<b>2,200</b>	<b>7,701</b>	<b>1,706</b>	<b>9,407</b>	<b>2,141</b>	<b>11,548</b>



## Precept Consultation Report 2025-2026

### Fire and Rescue

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## 1.0 Background and Consultation Approach

### 1.1 Background

Annual council tax bills inform residents about their contributions to local council services and other essential public services across York and North Yorkshire, such as the Police and Fire and Rescue Service. These contributions are known as “precepts” and vary based on the property band.

The Mayor is legally responsible for setting both the policing precept and the Mayoral General Precept, which now includes fire and rescue services. The Government sets national referendum principles that cap council tax increases before a referendum is required. These principles apply to the policing precept but not to the Mayoral General Precept.

When setting the policing precept, the Mayor must consider the views of council tax payers across York and North Yorkshire. Although consultation on the Mayoral General Precept is not legally required, it ensures transparency, accountability, and public engagement in decisions affecting local taxation and public services.

For the 2025/2026 period, it is assumed that the Mayor will not increase any ‘non-fire’ elements of the Mayoral General Precept and will only seek to raise the ‘fire and rescue’ element.

### 1.2 Consultation Approach

The Mayor’s precept consultation aimed to understand how much more the public would be prepared to pay via their council tax for policing and separately for fire and rescue services in 2025/2026.

Between 2 December 2024 and 20 January 2025, an online, self-completion survey was open to the public of York and North Yorkshire with paper copies available on request and to download. Questions around both precepting areas were combined within one survey. The order in which people considered each was rotated; 50% answered the policing precept question first, 50% the fire and rescue precept question.

To help gain a more representative sample, a number of targeted community engagement activities were conducted to increase participation from minority groups. These activities included high street outreach events across the county, interactions with local businesses and emails to seldom-heard communities. Over 2400 contacts were made, 1200 individual and 1200 via email, and many more promotional leaflets were distributed.

A comprehensive Communications Plan ensured the survey was extensively promoted via media releases and social media including; Facebook and Nextdoor (reaching 77,879 households in 421 neighbourhoods). Posters and leaflets were distributed to all North Yorkshire and City of York libraries to raise awareness of the survey. All users of the Community Messaging system in North Yorkshire and the City of York (16,000 people) were notified about the survey and an email was sent to all local MPs and Councillors in December, to raise community awareness. Stakeholders and York businesses were provided with a toolkit to help promote the survey and asked to engage their staff in the consultation. The Mayor also recorded three videos to help promote the consultation.

During the consultation period, responses were reviewed and targeted social media posts were used to increase responses from underrepresented areas and communities.

The consultation yielded 2,311 responses.

### **1.3 Response to Known Impact of the Provisional Local Government Finance Settlement**

On 18 December 2024, Central Government announced the Local Government Provisional Finance Settlement which set out the funding arrangements for fire and rescue authorities for 2025/2026.

Consequently, on 30 December, a note was added to the survey to preserve the integrity of the consultation and allow people to make a more informed choice about how much more they would be willing to pay for fire and rescue services in 2025/2026.

*\*Important Update on Fire and Rescue Funding (added on 30th December)*

*On December 18th, the Government announced its new funding package for fire and rescue services. From 1 April 2025, North Yorkshire Fire and Rescue Service will receive around £2 million less than expected due to the removal and reduction of grants and higher national insurance contributions.*

*To maintain the current delivery of services AND provide investment, council tax for a typical Band D property would now need to increase by up to £24. The £15 option would no longer allow for investment.*

A pre and post analysis of responses has been undertaken and detailed in Chapter 3 Consultation Response.

## 2.0 Respondent Profile

A total of 2,311 responses were received to the Mayor’s 2025/2026 precept consultation. The following tables provide a profile of the respondents. Figures may not always sum to 100% due to rounding.

The questionnaire was made freely available to any individual who pays council tax in York or North Yorkshire. This means that the response profile, particularly among younger age groups, may not be fully representative of the York and North Yorkshire population.

**Table 1: Responses by Demographics** (Mid-Year Population Estimates 2020 for age and gender; Census 2011 for ethnic group and disability)

Characteristic		Count	% Valid responses	* York and North Yorkshire population 16+ %
AGE	Under 25	20	1%	12%
	25-35	167	8%	14%
	36-45	196	10%	13%
	46-55	299	15%	16%
	56-65	451	22%	17%
	66-75	551	27%	15%
	Over 75	333	17%	13%
	<b>TOTAL</b>	<b>2017</b>	<b>100%</b>	<b>100%</b>
GENDER	Male	1182	59%	49%
	Female	828	41%	51%
	<b>TOTAL</b>	<b>2010</b>	<b>100%</b>	<b>100%</b>
ETHNIC GROUP	White	1933	97%	97%
	Other Ethnic Background	51	3%	3%
	<b>TOTAL</b>	<b>1984</b>	<b>100%</b>	<b>100%</b>
DISABILITY (self-defined)	Yes	510	26%	/
	No	1476	74%	/
	<b>TOTAL</b>	<b>1986</b>	<b>100%</b>	<b>/</b>

Table 2 below indicates that the responses are broadly representative by location (although York in particular is under-represented and Hambleton over-represented).

**Table 2: Responses by Area** compared to the North Yorkshire population aged 16+ (Census 2011)

Location (where live)	Count	% Valid responses	* York and North Yorkshire population 16+ %
Craven	158	7%	7%
Hambleton	455	21%	11%
Harrogate	337	16%	19%
Richmondshire	209	10%	6%
Ryedale	155	7%	7%
Scarborough	247	12%	13%
Selby	208	10%	11%
York	364	17%	26%
<b>TOTAL</b>	<b>2133</b>	<b>100%</b>	<b>100%</b>

### 3.0 Main Findings

#### 3.1 Level of Support for Precept Increase

Respondents were provided with information about the funding and budget of North Yorkshire Fire and Rescue Service. The questionnaire is appended for reference.

**The following options are based on the amount of council tax an average Band D property would pay for fire and rescue services. This is currently £83.02 per year.**

**Question: How much more are you willing to pay each year for fire and rescue services in York and North Yorkshire?**

- **Up to £6 a year (50 pence per month)**

*This would raise around £1.9 million but could result in a reduction in the delivery of services and resources which may put firefighter and public safety at risk.*

- **Up to £15 a year (£1.25 per month)**

*This would raise around £4.7 million, allowing the Service to maintain the current delivery of services and make some improvements. For example, it would help fund crucial upgrades to fire stations, enhance firefighter safety and welfare with better equipment and training, and reduce debt, making your fire service more stable and financially secure.*

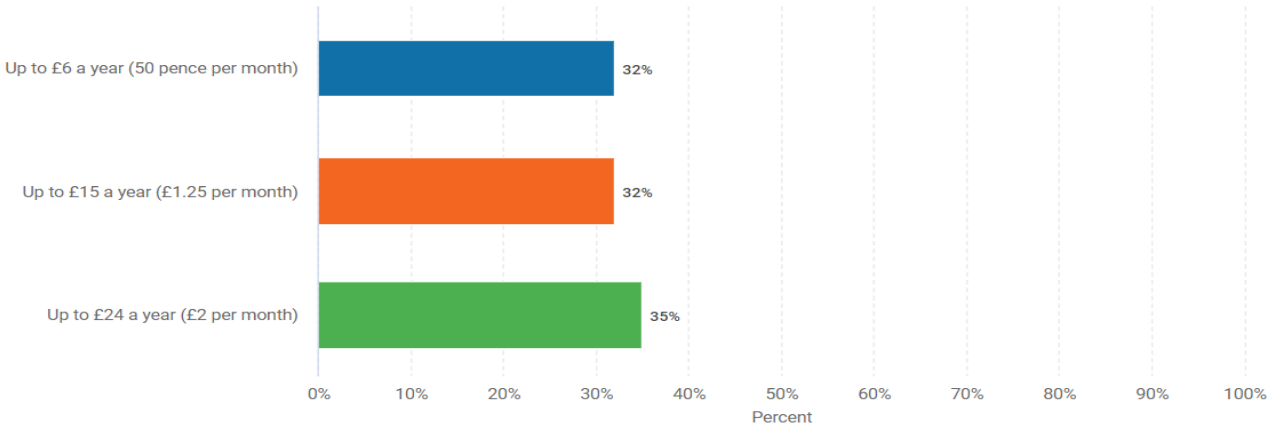
- **Up to £24 a year (£2 per month)**

*This would raise around £7.5 million, allowing enhanced investments in fire stations and other buildings, vehicles, training, equipment, and firefighter safety and welfare. It would reduce debt and create a financially secure Service for the future. It would also enhance other areas of service delivery from prevention and protection to emergency response which would help improve public safety.*

Responses to the fire precept question are summarised in Figure 1 below. The majority of respondents (67%) would support an increase of at least £15. Just over one-third (35%) would support an increase of up to £24.

**Figure 1: Additional amount people are willing to pay for fire and rescue**

*Base: All those answering (2063)*



\*figures may not add to 100% due to rounding

#### 3.2 Central Funding Message – Pre vs Post Analysis

On 30 December (see chapter 1.3 of the report), a message was added to the survey for context:

*On December 18th, the Government announced its new funding package for fire and rescue services. From 1 April 2025, North Yorkshire Fire and Rescue Service will receive around £2 million less than expected due to the removal and reduction of grants and higher national insurance contributions.*

*To maintain the current delivery of services AND provide investment, council tax for a typical Band D property would now need to increase by up to £24. The £15 option would no longer allow for investment.*

Table 3 shows responses before and after the addition of the funding message, highlighting very little variation in responses.

**Table 3: Responses pre and post adding funding message to survey**

Option	Total	Pre Funding Message Added (before 30 Dec)	Post Funding Message Added (post 9am, 30 Dec)	% Difference Pre vs. Post Funding Message
Up to £6	32%	33%	32%	-1%
Up to £15	32%	31%	33%	+2%
Up to £24	35%	36%	35%	-1%
Total	100%*	100%	100%	
No. Responses	2063	1021	1042	

\*totals may not add to 100% due to rounding

### 3.3 Sub-Group Analysis

Table 4 below provides an analysis of opinion by Sub-Groups.

There is a positive correlation between household income and the additional amount people are willing to pay for fire and rescue services. Respondents with a household income under £20,000 were much more likely to choose the lowest increase of up to £6, while those with an income above £20,000 were more likely to choose the highest increase of up to £24.

Those living in Craven, Harrogate, Richmondshire and Ryedale, females and people aged 25-35 or over 66, and those without a disability or long-term health issue (self-defined) are most likely to support an increase of at least £15 (over 70% of respondents).

**Table 4: Opinion by Sub-Groups (bases: those answering in brackets)**

Sub-group	Up to £6	Up to £15	Up to £24	Total who support an increase of at least £15
<b>TOTAL (2063)</b>	<b>32%</b>	<b>32%</b>	<b>35%</b>	<b>67%</b>
<b>BY AREA</b>				



Craven (148)	27%	35%	39%	<b>74%</b>
Hambleton (429)	36%	29%	35%	<b>64%</b>
Harrogate (313)	31%	34%	35%	<b>69%</b>
Richmondshire (187)	25%	37%	38%	<b>75%</b>
Ryedale (137)	26%	38%	37%	<b>75%</b>
Scarborough (221)	37%	28%	35%	<b>63%</b>
Selby (191)	34%	29%	37%	<b>66%</b>
York (336)	31%	34%	35%	<b>69%</b>
<b>Sub-group</b>	<b>Up to £6</b>	<b>Up to £15</b>	<b>Up to £24</b>	<b>Total who support an increase of at least £15</b>
<b>BY AGE</b>				
18-24 (19)	42%	37%	21%	<b>58%</b>
25-35 (159)	26%	26%	48%	<b>74%</b>
36-45 (187)	34%	19%	47%	<b>66%</b>
46-55 (275)	39%	25%	36%	<b>61%</b>
56-65 (407)	32%	35%	33%	<b>68%</b>
66-75 (521)	29%	36%	36%	<b>72%</b>
Over 75 (307)	27%	40%	33%	<b>73%</b>
<b>BY GENDER</b>				
Male (1083)	33%	30%	37%	<b>67%</b>
Female (779)	28%	36%	36%	<b>72%</b>
<b>BY DISABILITY (self-defined)</b>				
Yes (457)	35%	29%	35%	<b>64%</b>
No (1387)	30%	33%	38%	<b>71%</b>
<b>BY ETHNICITY</b>				
White (1,796)	31%	32%	37%	<b>69%</b>
Other ethnicity (46)	46%	41%	13%	<b>54%</b>
<b>BY HOUSEHOLD INCOME</b>				
Less than £10,000 (53)	57%	30%	13%	<b>43%</b>
£10,001 - £20,000 (272)	44%	33%	23%	<b>56%</b>
£20,001 - £40,000 (454)	27%	34%	39%	<b>73%</b>
£40,001 - £60,000 (367)	26%	32%	42%	<b>74%</b>
£60,001 - £80,000 (191)	25%	27%	48%	<b>75%</b>
£80,001 - £100,000 (126)	32%	25%	44%	<b>69%</b>
More than £100,000 (93)	25%	27%	48%	<b>75%</b>

\*Figures may not add to 100% due to rounding

Key		Under 60% support for at least £15
		Over 70% support for at least £15

### 3.4 General Comments on the Fire and Rescue Precept

People were asked to explain the reasons for their response.

**Do you have any comments about the fire and rescue precept that may help us understand your response?**

The main themes across the comments are detailed below.

Reasons to increase the precept:

- The fire service is essential and worth paying for (166 responses)
- Investment is needed including in staff, equipment and buildings (63 responses)
- The service has been underfunded too long (35 responses)

*“I believe in the old adage that you only get what you pay for. The thought of underfunded ‘blue light’ services is not an option. I see the precept as an essential community insurance.”*

*“A necessary service to save life and property.”*

*“Training, equipment, and firefighter safety and welfare are essential. I am happy to pay the higher level to ensure safety, welfare of the staff and some investment for longevity.”*

*“They have been starved of money for too many years.”*

Reasons not to increase/ limit the increase:

- Efficiencies and cuts could be made to free up money within the service (157 responses)
- Not willing to pay any increase in the fire precept (95 responses)
- Limited by affordability (95 responses), many noting the cost of living crisis, being pensioners and losing winter fuel payments

*“As pensioners we cannot afford large increases in Council Tax precepts - we have lost our Winter Fuel Allowance.”*

*“I would like to go for the maximum option, but costs are going up everywhere and I can only afford so much”*

*“I think we already pay enough Council Tax which should cover North Yorkshire Fire and Rescue Service”*