

Report to the Police Fire and Crime Panel

9th February 2026

Fire Revenue Budget Report (incl. MTFS and Precept)

Report of the Staffordshire Commissioner

Introduction

The purpose of this report is to set out the proposed revenue budget and precept proposals for the Staffordshire Commissioner Fire and Rescue Authority for 2026/27.

This report delivers one of the Commissioner's key responsibilities as laid out within the Police Reform and Social Responsibility Act 2011.

The report sets out the following:

- Net revenue budget requirement for 2026/27
- Proposed precept for the fire element of the council tax 2026/27
- Updated Medium Term Financial Strategy (MTFS)
- Outline Capital Budget for 2026/27 to 2028/29

The report should be read in conjunction with the accompanying:

- Treasury Management Strategy
- Capital Strategy and Capital Programme Report
- Reserves Strategy Report

Recommendations

The Police, Fire and Crime Panel is asked to:

- a) Examine the information presented in this report, including:
 - The Total 2026/27 net revenue budget requirement of £57.348m, including
 - A council tax requirement for 2026/27 of £36.046m before collection fund surplus/deficits are taken into account (**see Appendix 6**)
- b) Note that the funding for 2026/27 is based upon the Provisional Local Government Finance Settlement (LGFS) , and includes the estimated business rates information for the nine billing authorities.
- c) Support the Commissioner's proposal to increase the 2026/27 precept for the fire element of the council tax bill by 5.45% or £5 per annum which is equivalent to 10p per week, increasing the council tax to £96.77 for a Band D Property (**see Appendix 6**).

- d) To note that the Council Tax base has increased to 372,491 properties **(see Appendix 5)** equivalent to an increase of 0.79%. The Council Tax collection fund has also been finalised delivering a surplus of £218k **(see Appendix 4)**.
- e) To note the MTFS summary financials **(Appendix 7)** and MTFS assumptions contained within the report (see page 15)
- f) To note the MTFS shows a savings requirement of £2.1m into the medium term and includes the use of reserves in 2026/27, £0.325m; 2027/28, £0.440m; and 2028/29 £0.172m (See Appendix 7).
- g) Support the proposed three-year Capital Investment Programme **(see Appendix 9)**. Note there is a Capital Strategy to accompany the programme.
- h) To note the business rates for 2026/27 is based upon the Provisional Local Government Finance Settlement. This will be adjusted within the Earmarked Business Rates adjustment reserve when compared to the actual Non-Domestic Rates Income Returns (NNDR returns) from the nine billing authorities.
- i) Note the outcome of The Staffordshire Commissioner's budget consultation.
- j) Support the delegation to the S151 Officer for the Staffordshire Commissioner Fire and Rescue Authority to make any necessary adjustments to the budget as a result of late changes to central government funding (including changes due to the final funding settlement being announced) via an appropriation to or from the general fund reserve.
- k) To note the proposed fees and charges for 2026/27 **(see Appendix 11)**.
- l) To note the Statement from the S151 Officer for the Staffordshire Commissioner Fire and Rescue Authority on the robustness of the Budget and adequacy of the proposed financial reserves.

Ben Adams
Staffordshire Commissioner

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Commissioner's Foreword



I am now in my fifth year as Staffordshire Commissioner and continue to be pleased with the progress Staffordshire Fire & Rescue Service is making. The last HMICFRS inspection confirmed marked improvement across almost all areas, reflecting the professionalism, dedication and leadership of our firefighters, staff and volunteers. I thank them for their outstanding work and am confident the Service will continue to build on this success ahead of the upcoming inspection in 2026, guided by my Fire & Rescue Plan.

This budget and Medium Term Financial Strategy is set against growing financial uncertainty following the Government's Fair Funding Review covering the next three years. Even with council tax increases at the maximum permitted level, reductions in central government funding are only partly offset, which is deeply disappointing. Government funding for Fire and Rescue Authorities is forecast to fall by around 7.4% in real terms over the next three years, with council tax rises expected to fill the gap. This shifts the burden of funding essential services onto local taxpayers and leaves authorities with little choice but to increase precepts simply to stand still. I am also concerned about future pay pressures. Fire and Rescue pay has historically lagged behind other emergency services, creating a real risk of above-inflation pay awards in the years ahead, further stretching already tight budgets.

Despite these challenges, the Service continues to deliver beyond its core remit. Its partnership work with the NHS and West Midlands Ambulance Service has helped hundreds of people avoid unnecessary hospital admissions, easing pressure on local health services. I am pleased these initiatives will continue into 2026 and beyond.

Over the past three years, my office and the Service have delivered more than £2.3m in recurring savings through a comprehensive transformation programme. Further work is underway to identify an additional £2.1m of efficiencies to improve productivity and protect frontline services.

To ensure the Chief Fire Officer has the resources needed to deliver the Community Risk Management Plan and meet national and local priorities, I propose a 5.45% increase in the Fire & Rescue council tax precept for 2026/27. This equates to £5 per year, or 10p per week, for a Band D property and is in line with the referendum limit set for the next three years.

I recognise the pressure on household budgets and will always seek to keep council tax as low as possible. However, this increase, alongside ongoing savings and transformation, is essential to avoid service reductions and maintain the safety of our firefighters and communities.

Staffordshire Fire & Rescue Service continues to perform strongly and, with sustained investment through this MTFS, I am confident it will continue to keep our communities safe.

Executive Summary

This report advises the Panel on the revenue budget for 2026/27, and the proposed level of council tax for the Staffordshire Commissioner Fire and Rescue Authority. It also presents an updated Medium Term Financial Strategy for the following four year period to 2030/31.

The Fair Funding Review 2.0 consultation document outlining the proposals for the next three-year settlement and was issued by the Ministry of Housing, Communities and Local Government (MHCLG), and ran from 20 June 2025 to 15 August 2025.

The Local Government Finance Settlement (LGFS) for 2026/27 was received on 17 December 2025 and incorporated the three year settlement for the first time in a decade. The Fair Funding Review 2.0 refreshed the methodology for distributing a fixed pot of funding between local authorities covered by the local government finance settlement using a Relative Needs Formula (RNF). Whilst many RNFs have been fully reviewed the data underpinning the Fire and Rescue RNF has simply been updated to reflect up latest information.

The Fair Funding review also incorporates and determines changes in the distribution of local authorities' business rate revenue. Some of this revenue is redistributed via the 'tariff' and 'top-up' system and constitutes a 'reset' of the Business Rates Retention Scheme (BRRS).

Staffordshire Commissioner Fire and Rescue Authority has been adversely affected by the impact of the LGFS and will see a reduction of £2.1m in core funding by 2028/29. In order to mitigate this shortfall the Government has assumed that the Council Tax will be increased by the full amount for the next three year period.

The Council Tax referendum limits included within the LGF Settlement has been confirmed at £5 for Council Tax increases for the next three years. The Commissioner has considered; current and future funding requirements, together with the factors included within his Fire and Rescue Plan, the results of the survey with local residents, as well as actual and expected cost pressures, including the loss of funding, and expected efficiency savings available to the Service as part of its updated transformation programme.

The Commissioner is proposing a 5.45% increase in Council Tax equivalent to an additional £5 per annum (10 pence per week) and will increase the Band D Council Tax for the Staffordshire Commissioner Fire and Rescue Authority to £96.77. A lower Council Tax assumption of 2.99% has been assumed for 2027/28 and 2028/29.

In summary, when considering the settlement funding position, the proposed increase in Council Tax of £5 and the updated transformation plan from the Commissioner a balance budget position is presented for the budget year 2026/27 and into the medium term, however this will require the support of the Authority's Reserves and a transformation savings programme of £2.1m by 2028/29, based upon the current council tax assumptions beyond 2026/27.

Background

1. The budget proposals contained within this report are based upon the provisional 2026/27 Local Government Finance Settlement received on 17 December 2025.
2. The Settlement Funding methodology for 2026/27 to 2028/29 has now been updated as part of the Fair Funding Review which has now been issued for the three year period.
3. The new Fair Funding settlement still comprises of three funding streams shown below but the methodology has been changed. The Revenue Support Grant (RSG), Business Rates top-up the 1% share of local business rates shown as extracted from the Provisional Local Government Finance Settlement. 2025/26 has been rebased to reflect the revised allocation methodology.

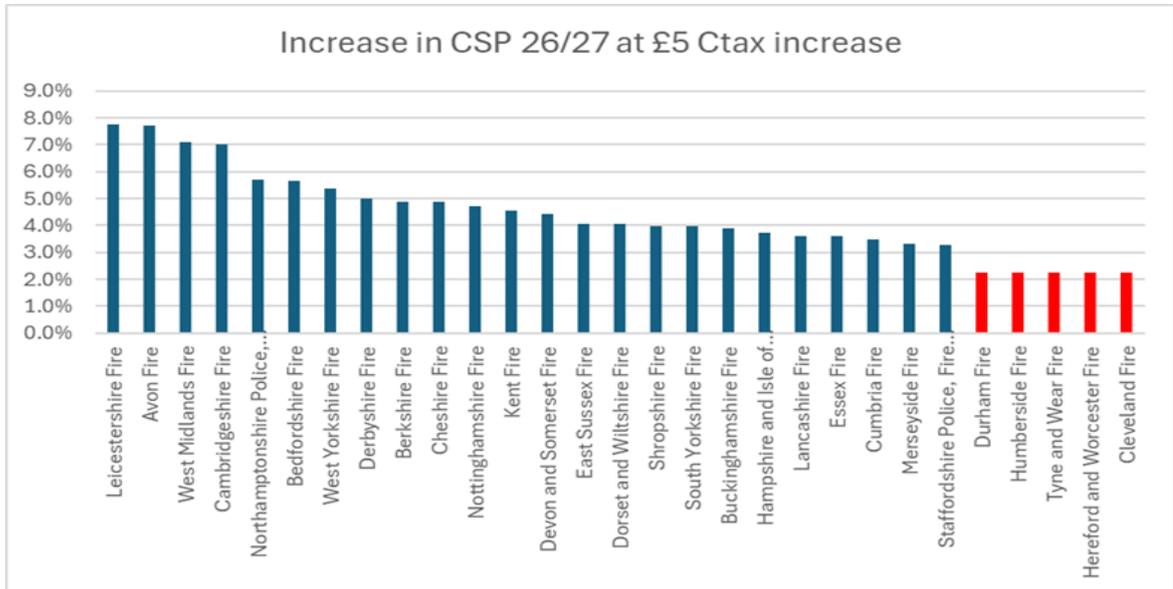
	2025/26 £m	2026/27 £m	Movement £m
1% share of Local Business Rates	3.980	5.418	1.438
Business Rates Top-up	6.568	3.426	(3.141)
Revenue Support Grant (RSG)	7.621	12.240	4.619
S31 Grants Funding - rebased (previously shown as income)	3.314		(3.314)
Total Fair Funding Assessment	21.482	21.084	(0.398) (-1.8%)

4. The Fair Funding Settlement allocations for 2026/27 is £0.4m lower than the rebased Settlement Funding. Fair Funding allocations across three year period are as follows and result in a net reduction of £2.134m.

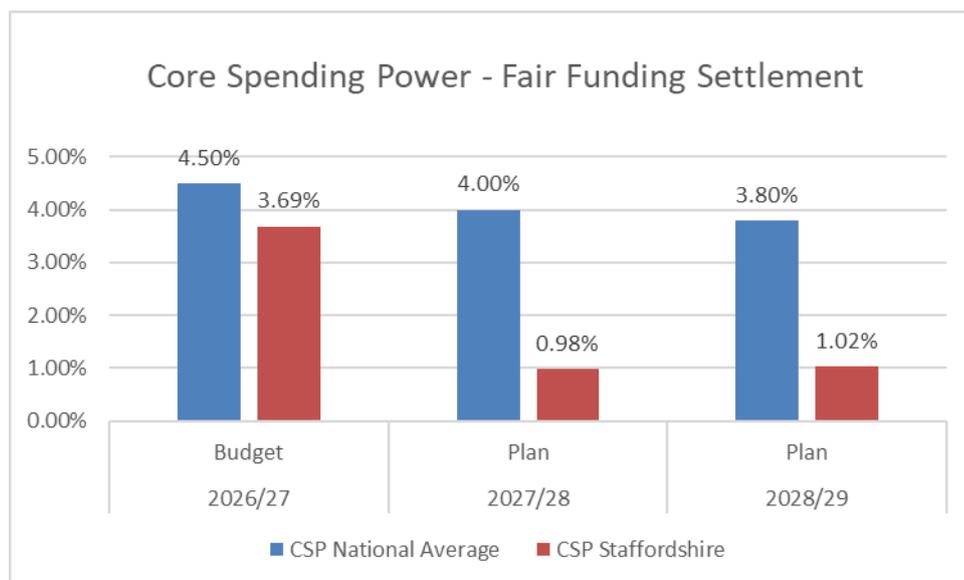
	2026/27 £m	2027/28 £m	2028/29 £m
Fair Funding Assessment	21.084	20.264	19.349
Variance to 2025/26	(0.398)	(1.218)	(2.134)

5. The Fire and Rescue sector will overall see a reported increase in core spending power (CSP) of 4.5% next year and then 4.0% and 3.8% in succeeding years. However, government funding is actually reducing by 1% in cash terms across the three years of the settlement and all of the increase in CSP as a result of the assumed £5 council tax increase in each year (along with taxbase increases).

6. There is significant variation across the Fire and Rescue Sector with 4 authorities above 6% increase and with 5 at the floor of 2.2% - four of which are in the NE (Cleveland/Tyne and Wear/Humberside/Durham and Darlington) and Hereford and Worcester as shown below:



7. The impact for this authority is shown above with Staffordshire at the lower end of the table next to Durham & Darlington and Humberside Fire and Rescue Authorities.
8. The impact on CSP over the three year period is shown below when compared to the three year settlement.



Note : the above assumes a 2.99% increase in Council Tax for 2027/28 and 2028/29, which is below the £5 assumed within the settlement.

Business Rates / Business Rates Top-up

9. The Staffordshire Commissioner Fire and Rescue Authority receives a 1% share of local business rates, in addition to a business rates top-up. The Panel should note that the 1% share of local business for 2026/27 has been estimated based upon the Provisional Local Government Finance Settlement.
10. The actual 1% share of the district/boroughs and city council's NNDR forms (Non-Domestic Rating Income Calculation and Estimate of Collection Fund Surpluses and Deficits), will be calculated with any surplus/deficit transferred to the business rates earmarked reserve.
11. As set out in local government finance policy statement 2026-27 to 2028-29, the reset of the Business Rates Retention System (BRRS) from 1 April 2026 is a core part of the government's Fair Funding Review (FFR) to ensure that the local government funding system is fit for the future.
12. The reset will allow government to redistribute retained rates income in line with relative need and resources. At the reset, all local authorities will be assigned new Business Rates Baselines (BRBs), Baseline Funding Levels (BFLs) and top-up or tariffs. New BFLs will be based on an updated assessment of need, developed as part of the review.
13. The reset is a redistributive exercise. All resources that local government currently have available which are associated with the BRRS will remain with local government post 1 April 2026. This includes the growth currently retained by authorities over current BFLs, and the grant compensation that has been awarded in respect of government relief schemes and for historic under-indexation of business rates multipliers (S31 Grants). However, as part of the reset, this funding will be distributed differently across the sector from 1 April 2026.
14. S31 grants for the Authority have therefore been redistributed but the methodology is not clear or transparent within the FFR. The exact amount of S31 Grant moved into RSG is not known.
15. The Authority will not have full clarity of the business rates position until the NNDR1 forms have been received from all nine billing authorities. The business rates reset has incorporated new complexity and it is expected that the submission of the NNDR1 forms will be later than 31 January deadline for many billing authorities.
16. In the event of any significant shortfall or excess in the 1% share of business rates without sufficient balance held within the Business Rates Earmarked Reserve a budget adjustment may be required as delegated to the S151 Officer.

Council Tax

17. The setting of Council Tax is under the control of the Staffordshire Commissioner. The process for issuing the precept is aligned to the setting of the Staffordshire Police precept following the change in governance arrangements in 2018. This process is laid out within Schedule 5 of the Police Reform and Social Responsibility Act 2011.
18. From 1 August 2018, the Staffordshire Commissioner assumed the functions of the former Stoke-on-Trent and Staffordshire Fire and Rescue Authority, including the power to issue a fire precept.
19. The Band D Council Tax for the Authority was approved at £91.77 for 2025/26, this report includes the proposal by the Commissioner to increase Council Tax by 5.45% or £5 to £96.77 in 2026/27.
20. The relevant basic amount of council tax for a fire and rescue authority is excessive if the authority's relevant basic amount of council tax for 2026/27 is more than £5 greater than its relevant basic amount of council tax for 2025/26 and sets the referendum limit for the Authority. This referendum limit has been set for the three year period 2026/27 to 2028/29 and the MTFs assumes the maximum increase during 2026/27.
21. A lower Council Tax increase of 2.99% has been included for the following two years 2027/28 and 2028/29.
22. The Council Tax base shown in **Appendix 5** has increased to 372,491 from 369,558 properties in 2025/26, which is equivalent to an increase of 0.79%. The Council Tax collection fund shows a surplus of £218k, shown in **Appendix 4**. Both the Council Tax base and the surplus on the collection fund have been finalised and agreed with the nine local billing authorities.
23. A 1% sensitivity in precept for the Staffordshire Commissioner is equivalent to £0.36m.
24. Based upon a 5.45% increase, the total budgeted precept (including collection fund) has increased by £2.436m, as follows:

Council Tax Amount 2025/26	£33.828m
Increase in Council Tax Base by 0.79%	£0.269m
Movement in Council tax Surplus	£0.305m
Increase in Council Tax by £5	£1.862m
Council Tax Amount 2026/27	£36.264m

25. The total funding position for the Staffordshire Commissioner for 2026/27 is shown below:

	<u>2025/26</u>	<u>2026/27</u>	<u>Change</u>
Fair Funding Settlement (*)	£21.482m	£21,084m	(£0.398m)
Council Tax (Precept)	£33.828m	£36,264m	£2.436m
Total Funding	£55,310m	£57,348m	£2,038m

(*) The Settlement Funding for 2025/26 has been rebased above in line with the revised Fair Funding methodology in order to enable accurate comparison.

26. The table below illustrates the financial impact of the precept changes on the Council Band D rate and increase in funding for the Staffordshire Commissioner Fire and Rescue Authority:

Council Tax (Fire Element)	2025/26	2026/27
Band D Council Tax Proposed	£91.77	£96.77
Increase on Prior Year	£5	£5
Percentage increase on Prior Year	5.76%	5.45%
Council Tax Increase*	£2,167,952	£2,131,630
Total Precept Levied (Band D)	£33,914,330	£36,045,961
Council Tax surplus (Deficit)	(£86,616)	£218,025
Total Council Tax	£33,827,714	£36,263,986
Weekly Increase	£0.10p	£0.10p

*This includes changes in the tax base as well as precept rate changes

Revenue Budget 2026/27

27. The Revenue Budget sets out to support Community Risk Management Plan (CRMP) and Fire and Rescue Plan issued by the Staffordshire Commissioner.
28. **Appendix 1** sets out the proposed revenue budget of £57.348m for 2026/27 based upon a proposed Council Tax Increase of £5 and the provisional Local Government Finance Settlement and the estimated 1% share of local business rates from the nine billing authorities within Staffordshire and Stoke-on-Trent.

29. The key features of the budget, are as follows:

Pay costs

The overall pay costs budget for 2026/27 at £37.6m, shows an increase of £1.4m more than last year's budget.

The budget for 2026/27 assumes that the pay award for 2026/27 will be at 3%, despite overall levels of key inflation measures stabilising there remains significant pressure on public sector pay.

There is, therefore, some risk associated with the assumed level of pay award for 2026/27 and the assumptions included within the updated MTFS. The representative bodies supporting Fire Service employees are already demanding above inflation pay awards.

The following bridge explains the net increase in pay costs:

	<u>£m</u>
Pay Budget – 2025/26	36.2
Pay Award Provision (2026/27 at 3%)	1.3
Pension – Firefighters' Pension Grant shortfall	0.1
Other factors (Overtime, Acting-up etc)	0.2
Vacancy Provision Adjustment (on-call and support)	0.6
LGPS – reduction in headline contribution	(0.2)
Other Employee Costs	(0.1)
Restructure and efficiency savings	(0.4)
Non-recurring pay funded (e.g. Secondments, Falls Response, Home from Hospital)	(0.1)
Pay Budget – 2026/27	37.6

Non-pay costs

Non-pay costs are budgeted to reduce by over £0.6 million year on year. Some of the main movements in non-pay costs are as follows:

- Premises costs have reduced by £0.3m. This reflects the expected reduction following the business rates reset
- Firelink/Airwave costs (Emergency Services network), the credit of 52% for all airwave changes from Motorola is now being received, £0.4m
- A saving target of £0.1m has been introduced into the 2025/26 budget for non-pay which forms part of the transformation programme into the medium term
- Clothing and Uniform (PPE costs) and other equipment, £0.2m

Income

Income for 2026/27 is budgeted to reduce by £0.4m to £2.3m

- The returns received from cash invested by the Authority (see Treasury Management Strategy), are now headlining interest reduced following the Bank of England base rate reductions in 2025/26. This will result in a reduction of £0.2m
- Income from Non-recurring down by £0.1m
- The firelink grant was removed in 2025/26 – one year early - £47k

Capital Charges

Total capital charges are budgeted to reduce by £0.2m to £7.0m

- The £1.65m minimum revenue provision requirement for 2026/27 is in line with the MRP Policy. This is based upon the capital investment programme and strategy and has remained at the same budgeted level
- The budgeted level of interest on the existing long terms loans of £15.150m is 4.45% (Budget 2026/27, £0.674m). The £1m Lender Option Borrower Option Loan was repaid in 2025/26 this has reduced the interest payments by £40k per annum in 2026/27. This loan is forecast to be replaced in 2028/29
- The budget includes a proportion of direct funding for the replacement of operational vehicles (including appliances) cars and vans, down £0.1m
- The unitary charge for the PFI contracts increases by RPIx applied to the variable elements of both PFI contracts. The RPIx rate led to increases of 8.2% in 2022/23 and 12.9% for 2023/24, 3.5% for 2024/25 and 3% for 2025/26. Total impact of high inflation in the last five years is c.£1.3m by March 2027 (cumulative impact c.35% increase in variable costs). The increase in 2026/27 is c.£0.1m

Budget Monitoring 2026/27

30. A budget monitoring report will be considered by the Strategic Governance Board on a quarterly basis. A monthly Finance Report will be issued to members of the Service Delivery Board (SDB) and all budget holders. In addition, the Finance System (Integra) issues automated monthly reports to budget holders.
31. A copy of the monthly Finance Report will be made available to members of the Joint Audit and Risk Committee (JARC), and also to the external auditors, Azets, as requested.

Service Transformation Programme

32. Ongoing Service Transformation has been necessary to ensure that Staffordshire Fire and Rescue Service can continue to deliver 'a modern, efficient, and sustainable level of service to the public' that prioritises the safety of both our staff and our communities. The Deputy Chief Fire Officer oversees the Service's Transformation Programme that will consider how transformation can best support our priorities of **our communities, our people** and **our environment**.
33. The Transformation Board was formed in Feb 2022, with representatives from various areas of the Service. Its purpose is to investigate ways to transform the Service and ensure its financial sustainability. The Board has met regularly to monitor and evaluate progress through an action plan, while also providing recommendations through the relevant governance channels.
34. A multi-phase transformation programme has been undertaken in order to meet financial sustainability targets as set out in the Medium-Term Financial Strategy (MTFS). Following the successful completion of Phase 1, which delivered substantial recurring savings, the focus has shifted to the implementation of Phase 2 initiatives. At the same time, attention has now been focussed upon the identification and delivery of additional financial savings required to secure the required savings from 2026 onwards as a result of the Fair Funding Formula review under the three-year comprehensive spending review.
35. The Phase 1 target of £1.3m has been fully delivered, meeting targets through a combination of the following workstreams:
 - Workforce efficiencies with savings made from reducing wholetime crewing figures and reviews of prevention and protection staff
 - Process improvements around operational crewing and training
 - Strategic project completions which have seen investments in the On-call service and procurement of new innovative appliances
36. The Phase 2 of £1m has also been identified and the full saving has been incorporated into the updated MTFS:
 - the removal of a Project Manager role,
 - the re-alignment of a fire engineer role,
 - the closure of the community Sprinkler project
 - MRP savings from the year end position and capital savings
 - Motorola – contingent Asset return
 - Administrative Review
 - Estates Sharing & Property Disposal
 - Workforce Efficiencies (reduced FTE)
37. The Transformation Board moved into the next phase during February 2026 in order to review and assess the requirements for savings as identified within the updated MTFS. This will include the results of a review by an external partner

which has now been completed utilising up to date and historic risk and demand data in order to objectively review existing station locations and current shift patterns.

38. In order to balance the updated MTFS the Commissioner has tasked the Service to deliver a further £2.1m of new recurring savings, which is a major challenge and will result in further significant transformational change being necessary.

Reserves and Balances

39. The Authority holds two reserves, a Specific/Earmarked Reserve which is built up through any surplus within the Income and Expenditure account. The utilisation of this fund has been established with the approved Reserves Strategy that was last updated in February 2024; and a General Reserve which is held to protect against any spate or emergency conditions that may arise, (**see Appendix 3**).
40. At 1 April 2025 the Authority held £1.9m in General Reserves and a risk assessment for this reserve was undertaken as part of the budget setting process for 2026/27 and the overall provision of £1.9m has remained unchanged for a number of years and represents less than 4% of the proposed revenue budget for the year.
41. At 1 April 2025 the Authority held £6.8m in Earmarked Reserves. **Appendix 2** demonstrates the impact on Earmarked Reserves for the Council Tax proposal included within this paper. The schedule also assumes utilisation of capital spend as incorporated within the Reserves Strategy. It does not assume use of reserves for other contingency areas that are incorporated within the Reserves Strategy.
42. The Earmarked Reserved is forecast to reduce to £3.7m by 2030/31 in line with the MTFS assumptions
43. The forecast balance on the Earmarked Reserves is detailed within the Reserves Strategy update paper and shown below (**see Appendix 2**).

Medium Term Financial Strategy

44. The MTFS has been updated to reflect the budget proposals for 2026/27 and incorporates the assumptions contained with the Provisional Local Government Settlement, which includes the assumed increase in Council Tax of £5. A summary of the financials covering the medium term period 2026/27 to 2030/31 are included within **Appendix 7**.
45. The budget for 2026/27, 2027/28 and 2028/29 includes the use of £1.0m of earmarked reserves.
46. Should the overall funding for the Authority not be in line with the assumptions incorporated within this report following the Final Settlement, saving targets and use of reserves will need to be re-visited.

47. There remains a significant level of financial uncertainty regarding the funding position for the Authority beyond and including 2026/27, this unfortunately results in a higher level of risk associated with the funding assumptions contained within the updated MTFS.
48. The MTFS includes additional savings of £2.1m by 2028/29, should the level of Council Tax be increased by £5 during 2027/28 and 2028/29 this reduces the savings target by £1.6m to £0.5m as shown within **Appendix 8**.
49. The main areas of uncertainty must be considered when reviewing this MTFS:
- The likely impact of pay awards for 2026/27 and beyond above the budgeted 3% and MTFS levels – see paragraph 50 below
 - The assumption contained with the three year Local Government Finance Settlement is for Council Tax to be increased by the maximum amount of £5 for 2026/27, 2027/28 and 2028/29
 - The Commissioner has decided that in keeping with previous years the forecast Council tax increases should be held at 2.99%, approximating inflation, for 2027/28 and 2028/29 until consultation with the communities of Staffordshire and Stoke on Trent has been undertaken in each year
 - The Impact of Inflation on all costs which could be impacted upon events outside of the control of the Authority
 - The impact on Firefighter pension costs after 2026/27 and future levels of employer contributions into the scheme, should funding not be included within the next Comprehensive Spending Review
 - The impact of economic and political uncertainty into the medium term and the future impact of local government devolution
 - Delivery of the £2.1m savings target as per the new transformation programme over the MTFS period
 - The full impact of the business rates reset, which are not certain at the time of setting the 2026/27 budget.
50. A 1% sensitivity across key budget areas is reflected below:

Cost / Income Area - 1% Sensitivity	Change	£m
Pay Costs	+/- 1%	0.37
Premises Costs (incl utilities)	+/- 1%	0.04
Vehicles	+/- 1%	0.01
Supplies and Services	+/- 1%	0.10
Employer Pension Contributions	+/- 1%	0.08
Fair Funding Settlement	+/- 1%	0.21
Precept	+/- 1%	0.36
Council Tax Base	+/- 1%	0.36

51. A summary of the main MTFS assumptions are shown below for consideration:

	2026/27	2027/28	2028/29	2029/30
	Budget	Plan	Plan	Plan
<u>PAY COSTS</u>				
Pay Award Operational Staff	3.0%	2.0%	2.0%	2.0%
Pay Award Non Operational Staff	3.0%	2.0%	2.0%	2.0%
Other Pay Costs	3.0%	2.0%	2.0%	2.0%
Pension Costs - Fire Fighters Pension Grant (Est)	(£1.16m)	(£1.16m)	(£1.16m)	(£1.16m)
<u>NON PAY COSTS</u>				
Utilities (Electricity, Gas and Water)	4.0%	2.0%	2.0%	2.0%
Business Rates	(15%)	6.3%	2.0%	2.0%
General Supplies and Services	3.0%	2.0%	2.0%	2.0%
<u>INTEREST RATES</u>				
Interest on Investments	3.0%	3.0%	3.0%	3.0%
Interest on Debt	4.4%	4.4%	4.4%	4.4%
<u>GENERAL FUNDING</u>				
Council Tax Increases	5.45%	2.99%	2.99%	1.99%
Council Tax Base Growth	0.79%	1.00%	1.00%	1.00%
Revenue Support Grant	60.6%	(8.4%)	(9.8%)	1.0%
Local Business Rates	36.1%	2.0%	2.0%	1.0%
Business rates Top-up grant	(47.8%)	2.8%	2.0%	1.0%

Capital Programme

52. The three year Capital Programme and Capital Strategy for 2026/27 to 2028/29 has been developed and is reviewed within the Capital Strategy.
53. The Capital Programme has been developed by the operational budget holders with all plans submitted to the Capital Review Group chaired by the Director of Finance.
54. The total programme of £5.3m for 2026/27 includes an element of carry-over from the current year. Whilst this delay has not impacted upon service delivery to date, it has culminated in a challenging but deliverable programme.
55. The revenue consequences of the proposed programme have been considered in the development of the revenue budget and the required prudential indicators are set out within the Treasury Management Strategy.
56. As part of the capital programme for 2026/27 the Commissioner has committed the use of £0.4m of reserves to support the station refurbishment work at Brewood which will complete the project in 2026/27.
57. The summary capital programme for the next three years is shown within **Appendix 9**.
58. The detailed programme for 2026/27 is shown within **Appendix 10**.

Statement from the Director of Finance / S151 Officer on the robustness of the Budget and adequacy of the proposed financial reserves

59. The Local Government Act 2003, Part 2, Section 25, as amended by the Police Reform and Social Responsibility Act 2013, requires the Chief Financial Officer / Treasurer for the Staffordshire Commissioner Fire and Rescue Authority to report on the robustness of the estimates used for the budget and the adequacy of the proposed financial reserves. The Commissioner is required to have regard to the report of the Chief Financial Officer and the report must be given to the Police Fire and Crime Panel.

60. I can confirm that the budget for 2026/27 is balanced and has been produced on a robust basis. Whilst there remains some uncertainty with regard to future settlement funding, the level of Council Tax increases, increased pay awards and the costs of Firefighter's pensions, estimates have been included within the Medium Term Financial Strategy and appropriate provision made within Earmarked Reserves.

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Staffordshire Commissioner Fire and Rescue Authority

Appendix 1

Revenue Budget Summary 2026/27

	Budget 2025/26	Budget Proposal 2026/27	Year on Year Change
	£000s	£000s	£000s
Pay			
Pay Costs	33,820	35,137	1,317
Other Employee Costs	2,666	2,548	(118)
Pay Efficiency	(300)	(100)	200
Total Pay	36,185	37,585	1,400
Non Pay			
Premises Costs	4,687	4,347	(340)
Transport Costs	1,139	1,156	17
Supplies & Services Costs	9,965	9,792	(173)
CFS Costs and Initiatives	320	249	(71)
Non Pay Efficiency	(100)	(100)	
Total Non Pay	16,012	15,444	(567)
Income			
Income - General	(2,109)	(1,934)	175
Interest Receivable	(608)	(410)	199
Total Income	(2,717)	(2,344)	373
Capital charges	2,217	2,060	(157)
Interest Payable	723	674	(50)
PFI Unitary Charge	4,220	4,255	35
Total Capital Charges	7,160	6,988	(172)
Total Revenue before Reserves	56,640	57,673	1,033
Transfer to/(from) Reserves	(1,330)	(325)	1,005
Budget Gap in Year			
Total Revenue Budget	55,310	57,348	2,038
FINANCED BY:			
<u>Settlement Funding</u>			
Revenue Support Grant	7,621	12,240	4,619
Local Business Rates (1%)	3,980	5,418	1,438
Government Top-up (business rates)	6,568	3,426	(3,142)
Fair Funding Allocation	3,314		(3,314)
Total Settlement Funding	21,482	21,084	(398)
<u>Council Tax</u>	33,828	36,264	2,436
Total Financing	55,310	57,348	2,038

Staffordshire Commissioner Fire and Rescue Authority

Appendix 2

Earmarked and General Reserves Summary to 2030/31

RESERVES FORECAST	2024/25 Actual £m	2025/26 Est. £m	2026/27 Est. £m	2027/28 Est. £m	2028/29 Est. £m	2029/30 Est. £m	2030/31 Est. £m
General Fund	1.9	1.9	1.9	1.9	1.9	1.9	1.9
<u>Earmarked Reserves</u>							
PFI Reserve (Project Reserve Deductions)	0.8	0.8	0.8	0.8	0.3	0.3	0.3
Reserve - Brewood Refurbishment	0.4	0.3					
Operational Budget Holder Reserves	0.8	0.7	0.7	0.6	0.4	0.4	0.4
Insurance Reserve	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Budget and MTFS Support Reserve							
Business Rates reserve	0.2	0.5	0.5	0.5	0.5	0.5	0.5
Capital Reserves	0.2	0.2	0.2	0.2			
Fire Control Project Reserve	0.3	0.1					
ESN Reserve		0.5	0.5	0.5	0.5		
Pension Reserve	1.5	1.2	1.2	1.2	1.2	1.2	1.2
Collaboration Reserve	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Future Funding reserve	1.9	1.3	1.0	0.5	0.3	0.2	0.6
Total Earmarked Reserve	6.8	6.4	5.6	5.1	4.0	3.4	3.7
Total Reserves Available (Useable)	8.7	8.3	7.5	7.0	5.9	5.3	5.6
Percentage of Revenue Budget							
General Reserve	3.8%	3.4%	3.3%	3.2%	3.2%	3.1%	3.0%
Earmarked Reserve	13.6%	11.5%	9.8%	8.7%	6.6%	5.5%	5.9%
Total	17.4%	14.9%	13.1%	11.9%	9.8%	8.6%	9.0%

Staffordshire Commissioner Fire & Rescue Authority Appendix 3

Risk Assessment of General Reserves for 2026/27

CIPFA guidance indicates that a well-managed authority with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves and that chief financial officers should take account of the strategic, operational and financial risks facing the authority.

A risk assessment for general reserves was undertaken as part of the budget setting process for 2026/27 and the overall provision of £1.9m has remained unchanged for a number of years and represents 3.3% of the revenue budget set for the year.

Whilst not a complete list of all the financial risks, the assessment focused on those most likely (High and Medium risks) to have a significant impact on the budget year.

Area of Expenditure	Level of Risk *	Explanation of risk/justification of reserves	2026/27 Provision £000
Loss of Employees / additional pay costs	High	Spate conditions caused by for example; prolonged severe weather conditions (e.g. hot weather or flooding), unexpected loss of staff through COVID-19, Avian Flu / Ebola etc.	650
Insurance loss / impact of data breach	Medium	Risk of incurring uninsured losses Risk of breach due to inappropriate information sharing / failure to implement EU GDPR	550
Ill health retirement costs	Medium	Risk of the number of ill health retirements being greater than anticipated due to ageing workforce	300
Other unforeseen costs	Medium	Risk of unforeseen event: emergency incident, waste fires / tipping	300
Other costs	Medium	Risk of failure of strategic partnership / collaboration initiatives	100
TOTAL			1,900

Staffordshire Commissioner Fire & Rescue Authority

Appendix 4

Council Tax Report 2026/27

Council Tax Surplus / (Deficit) by Authority

Surplus/ (Deficit)

	2025/26	2026/27	Variation
	£	£	£
Cannock Chase	(48,069)	27,217	75,286
East Staffordshire	31,444	(8,197)	(39,641)
Lichfield	470	41,000	40,530
Newcastle	150	(25,563)	(25,713)
South Staffordshire	45,166	24,237	(20,929)
Stafford	(43,813)	78,129	121,942
Staffordshire Moorlands	36,850	(9,540)	(46,390)
Stoke	(123,151)	62,387	185,538
Tamworth	14,187	28,355	14,168
Total (per budget paper)	(86,767)	218,025	304,792

Staffordshire Commissioner Fire and Rescue Authority

Appendix 5

Council Tax Report 2026/27

Taxbase by Billing Authority

Taxbase figures

	2025/26	2026/27	Var	YOY %
Cannock Chase	29,999	29,863	(136)	(.45%)
East Staffordshire	41,575	41,513	(62)	(.15%)
Lichfield	41,523	42,132	(610)	(1.47%)
Newcastle	39,807	40,258	(451)	(1.13%)
South Staffordshire	40,191	40,492	(301)	(.75%)
Stafford	49,634	50,296	(662)	(1.33%)
Staffordshire Moorlands	34,382	34,455	(73)	(.21%)
Stoke	68,851	69,408	(557)	(.81%)
Tamworth	23,596	24,073	(477)	(2.02%)
Total	369,558	372,491	(2,933)	(.79%)

Council Tax Report 2026/27

Council Bands for Each Band and District Precepts

Based upon a Band D Increase of £5

Council Tax Band Figures

	2025/26	2026/27	Increase	Per Week
Band	£	£	£	Pence
A	61.18	64.51	3.33	6.4
B	71.38	75.27	3.89	7.5
C	81.57	86.02	4.44	8.5
D	91.77	96.77	5.00	9.6
E	112.16	118.27	6.11	11.8
F	132.56	139.78	7.22	13.9
G	152.95	161.28	8.33	16.0
H	183.54	193.54	10.00	19.2

Precept Payable

	2025/26	2026/27	Variation	
	£	£	£	%
Cannock Chase	2,753,015	2,889,839	136,824	4.97%
East Staffordshire	3,815,356	4,017,232	201,876	5.29%
Lichfield	3,810,538	4,077,152	266,614	7.00%
Newcastle	3,653,088	3,895,767	242,678	6.64%
South Staffordshire	3,688,328	3,918,411	230,083	6.24%
Stafford	4,554,926	4,867,174	312,248	6.86%
Staffordshire Moorlands	3,155,236	3,334,210	178,974	5.67%
Stoke	6,318,438	6,716,632	398,194	6.30%
Tamworth	2,165,405	2,329,544	164,139	7.58%
Total	33,914,330	36,045,961	2,131,631	6.29%

Staffordshire Commissioner Fire and Rescue Authority
Appendix 7
MTFS Summary Financials to 2030/31

	2026/27 Budget £000s	2027/28 Plan £000s	2028/29 Plan £000s	2029/30 Plan £000s	2030/31 Plan £000s
Pay					
Pay Costs	35,137	35,711	36,264	36,826	37,396
Other Employee Costs	2,548	2,464	2,501	2,539	2,577
Pay Efficiency Plan Saving	(100)	(800)	(1,600)	(1,600)	(1,600)
Total Pay	37,585	37,376	37,166	37,765	38,372
Non Pay					
Premises Costs	4,347	4,580	4,671	4,765	4,860
Transport Costs	1,156	1,131	1,154	1,177	1,200
Supplies & Services Costs	9,792	10,052	10,253	10,458	10,667
CFS Costs and Initiatives	249	244	249	254	259
Non Pay Efficiency Plan Saving	(100)	(300)	(500)	(500)	(500)
Total Non Pay	15,444	15,707	15,827	16,153	16,486
Income					
Income - General	(1,934)	(2,083)	(2,123)	(2,165)	(2,207)
Interest Receivable	(410)	(230)	(150)	(107)	(107)
Total Income	(2,344)	(2,312)	(2,273)	(2,272)	(2,314)
Capital charges	2,060	2,512	2,794	3,133	3,122
Interest Payable	673	662	812	812	887
PFI Unitary Charge	4,255	4,405	4,348	4,392	4,435
Total Capital Charges	6,988	7,579	7,954	8,337	8,445
Total Revenue	57,673	58,349	58,673	59,983	60,989
Use of Reserves	(325)	(440)	(172)	(115)	284
Total Revenue	57,348	57,909	58,501	59,868	61,273
FINANCED BY:					
Settlement Funding					
Revenue Support Grant	12,240	11,218	10,120	10,221	10,323
Local Business Rates (1%)	5,418	5,526	5,637	5,693	5,750
Government Top-up (business rates)	3,426	3,521	3,593	3,629	3,665
Fair Funding Rebase Budget					
Total Settlement Funding	21,084	20,264	19,349	19,542	19,738
Council Tax	36,264	37,645	39,152	40,326	41,535
Total Financing	57,348	57,909	58,501	59,868	61,273

Staffordshire Commissioner Fire & Rescue Authority
Appendix 8
MTFS Summary Financials to 2030/31
(assumes £5 Council Tax increase in 2027/28 and 2028/29)

	2026/27 Budget £000s	2027/28 Plan £000s	2028/29 Plan £000s	2029/30 Plan £000s	2030/31 Plan £000s
Pay					
Pay Costs	35,137	35,711	36,264	36,826	37,396
Other Employee Costs	2,548	2,464	2,501	2,539	2,577
Pay Efficiency Plan Saving	(100)	(200)	(400)	(400)	(400)
Total Pay	37,585	37,976	38,366	38,965	39,572
Non Pay					
Premises Costs	4,347	4,580	4,671	4,765	4,860
Transport Costs	1,156	1,131	1,154	1,177	1,200
Supplies & Services Costs	9,792	10,052	10,253	10,458	10,667
CFS Costs and Initiatives	249	244	249	254	259
Non Pay Efficiency Plan Saving	(100)	(100)	(100)	(100)	(100)
Total Non Pay	15,444	15,907	16,227	16,553	16,886
Income					
Income - General	(1,934)	(2,083)	(2,123)	(2,165)	(2,207)
Interest Receivable	(410)	(230)	(150)	(107)	(107)
Total Income	(2,344)	(2,312)	(2,273)	(2,272)	(2,314)
Capital charges	2,060	2,512	2,794	3,133	3,122
Interest Payable	673	662	812	812	887
PFI Unitary Charge	4,255	4,405	4,348	4,392	4,435
Total Capital Charges	6,988	7,579	7,954	8,337	8,445
Total Revenue	57,673	59,149	60,273	61,583	62,589
Use of Reserves	(325)	(448)	(204)	(99)	348
Total Revenue	57,348	58,702	60,069	61,484	62,937
FINANCED BY:					
Settlement Funding					
Revenue Support Grant	12,240	11,218	10,120	10,221	10,323
Local Business Rates (1%)	5,418	5,526	5,637	5,693	5,750
Government Top-up (business rates)	3,426	3,521	3,593	3,629	3,665
Fair Funding Rebase Budget					
Total Settlement Funding	21,084	20,264	19,349	19,542	19,738
Council Tax	36,264	38,438	40,720	41,941	43,199
Total Financing	57,348	58,702	60,069	61,484	62,937

Staffordshire Commissioner Fire & Rescue Authority

Appendix 9

Capital Programme Summary 2026/27 to 2028/29

	2026/27 Budget	2027/28 Plan	2028/29 Plan
	£	£	£
Building & Infrastructure Works			
Station Refurbishment			
Improvement Works	1,083,612	1,470,000	1,530,000
Total	1,083,612	1,470,000	1,530,000
Operational Equipment	1,100,631	365,000	346,000
Appliances & Vehicles			
Appliances & Specialist Vehicles	1,630,000	1,000,000	1,805,000
Vans & Cars	368,000	260,000	448,000
Total	1,998,000	1,260,000	2,253,000
Information Technology			
ICT Hardware, Software Systems & Installations	1,108,431	1,000,000	985,000
Total	1,108,431	1,000,000	985,000
Total Capital Programme	5,290,674	4,095,000	5,114,000
Funding			
Direct Revenue Funding	410,000	470,000	500,000
Unsupported Borrowing	4,457,497	3,625,000	4,114,000
Earmarked Reserves	393,177		500,000
Capital Receipts			
Total Funding	5,290,674	4,095,000	5,114,000

Capital Programme Detail - 2026/27

Scheme Description	Detail	Proposed Capital Programme £
Building Works - Improvements		
Pirehill - CCTV System replacement	Replace existing CCTV system	80,000
HQ - FBT clean concept	Undertake a design and feasibility of options around FBT Clean concept	50,000
Stafford Fire Station - minor refurbishment	undertake changes to the changing facilities	100,000
Stafford Fire Station External Lighting replacement	Replace existing and install new perimeter lighting - Require planning application	90,435
Stafford Fire Station Fire Alarm	Replace existing fire alarm system	80,000
Stafford Fire Station - Automated gate	Installation of automated vehicle gate and pedestrian gate, slight remodelling of access ways for pedestrians - Police to contribute 50% towards total cost	60,000
LED Lighting	Replace current lighting with LED lighting - Wombourne, Finance portakabin, Tutbury, Barton	80,000
Brewood Refurbishment	Undertake building refurbishment	393,177
Sustainability heating system replacement - Stations	Gnosall - Heating system replacement	150,000
		1,083,612
Operational Equipment		
Operational Equipment Pool		25,000
Cylinder Replacement	Phase 2	125,000
BA compressors x 2	Planned replacement of existing compressors	98,077
Air Bags	Due for replacement 26/27	25,000
Wildfire PPE	Replacement of existing Wildfire PPE to conform with new EN Standards	125,000
ALP Escape Sets	Colts & Micros	14,000
Gas Monitors	New unit procurement	65,000
Asset Tracking	Carry Forward from 25/26	80,000
BA Set Washing Machine	Carry Forward from 25/26 (awaiting FBT work to be completed)	33,554
Cobra System Equipment	Awaiting evidence and feedback from Lichfield.	65,000
Equipment For Marked 4x4 Response Vehicles	Pumps and equipment for 4x4 vehicles.	35,000
Equipment for PRL 6, 7, 8, 9	£60k per PRL	240,000
Equipment for water carrier		50,000
Radiation Equipment Replacement	Replace failed units	45,000
Appliance CCTV	Option A - per 24.11.25 Response Board Paper	75,000
		1,100,631
Appliances & Vehicles - Heavy		
PRLs	PRL 6 / PRL 7 / PRL 8 / PRL 9 - Body Build Payments - From new tender - £275k per vehicle	1,100,000
PRLs	PRL 10 / PRL 11 - Chassis Payments - From new tender - £150k per vehicle	300,000
1 x Water Carriers	£380k per vehicle. £150k for chassis. £230k for build. Vehicle #1 Build	230,000
Appliances & Vehicles - Light		
Marked Standard Response Cars x 7	Station Managers - £25k per vehicle (inc commissioning) - replaces all seven 69 plate Vauxhall Astra's at 8 years old	182,000
Marked 4x4 Response Vehicles x 1	£35k per vehicle (includes commissioning costs) - replaces last of the 63 plate Ford Rangers at 14 years old	36,000
Utility Van Small/Medium x4	£20k - Replace DX13 FBN, FBL, FBK and FBJ which will be 14 years old	80,000
Rope Rescue Vehicle	Decision to be made on whether to have combined RR and Confnd Space vehicle at Response Board 2025. If we need replacement will be circa £60k	70,000
		1,998,000
Information Technology		
Mobile Phone Replacement		35,000
ICT Rolling Programme - Desktop		150,000
ICT Rolling Programme - Infrastructure		150,000
MDT Replacement - Software	Rolled forwards from 25-26 - per 18.09.25 CRG	88,431
Station End	Rolled forwards from 25-26 - per 18.09.25 CRG	150,000
PSTN Network Refresh	Separated this from PSN due to time frames. Need another budget code.	50,000
PSN Migration	Migration extend for a further 12 months.	50,000
Wireless Access Points	Replacement of access points at stations. Need more in each station to improve connectivity. Project split over 2 years. .	35,000
Back up System	Hardware plus 3 year licences	400,000
		1,108,431
Overall Total		5,290,674

Staffordshire Commissioner Fire and Rescue Authority

Appendix 11

	Current (Net of VAT) £	Charges from 1st April 2026 (Net of VAT) £	VAT Status
(a) Special Service Charges			
Attendance per Appliance per hour* (Including crew) <i>*£414.40 for the first hour and £103.60 per ¼ hour thereafter. e.g. between 1-6 mins round down, or 7-15 mins round up to the nearest ¼ hour interval.</i>	400.00	414.40	Standard
Professional services per hour <i>e.g. Officer interviews, provision of advice</i>	105.00	108.78	Standard
Fire investigation Interviews scope <i>£138.82 per hour or part hour</i>	134.00	138.82	Out of
Fire Investigator detailed Fire report scope	470.00	486.92	Out of
(b) Other charges			
Extract of Fire reports scope	106.00	109.82	Out of
Some information retrieval may incur an additional administration charge of £51.80 ex VAT per search.			
Photographic/digital images	Price on Application	P.O.A	Standard

c) Conference Suite
Scale of Charges from 1st April 2026

	Current (Net of VAT) £	Charges from 1st April 2026 Room Hire Only Whole day Mon-Fri (Net of VAT) £
Conference Suite		
Room 1	322.88	334.50
Room 2	220.56	228.50
Room 3 - break out area	138.26	143.24
Room 4 (VDR)	220.56	228.50
Rooms 1 and 2	454.76	471.13
Rooms 1, 2 and 3	568.44	588.90

Catering Charges

Prices will be quoted to clients on request taking into account their requirements, location and current food costs.

Charges quoted are subject to VAT at prevailing rates

A 50% charge of the total cost of the Room Hire Booking will be made if a cancellation is not received within 10 working days of the date of the hire.

Half day rates will be charged on a 25% reduction on a whole day rate.

The full charge for catering will be made if a cancellation is not received within 48 hours of the date of the hire. A charge of 25% of the total food cost will be made if the cancellation falls in the period of 5 working days to 48 hours prior to the booking.

The full cost of any damage or breakages inclusive of any consequential financial losses which such damage may incur whilst repairs or replacement of equipment is arranged, will be charged to the hirer