



HUMBERSIDE FIRE AUTHORITY

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# MEDIUM-TERM RESOURCE STRATEGY 2026/27 – 2030/31

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# CONTENTS

1.	Purpose of the Medium-Term Resource Strategy .....	3
2.	Aims of the Strategy.....	3
3.	Principles of the Strategy .....	3
4.	Reviewing the Strategy .....	4
5.	Community Risk Management Plan.....	4
6.	Financial Context .....	5
7.	Current 2025/26 Financial Position .....	5
8.	Medium-Term Budget Pressures .....	6
9.	Medium-Term Efficiencies and Productivity.....	6
10.	Capital Estimates and Financing .....	7
11.	Indicative Budget Forecasts 2026/27 to 2030/31 .....	8
12.	Reserves.....	9
13.	Risk Assessment .....	11
14.	Financial Resilience.....	12
15.	Procurement Strategy.....	15
16.	Conclusion .....	17

## **I. Purpose of the Medium-Term Resource Strategy**

- 1.1 This is the Medium-Term Resource Strategy (MTRS) of Humberside Fire Authority. It covers a period of five years but will be reviewed annually to reflect the dynamic nature of both the fire service and changes in funding. It describes the financial direction of the organisation and outlines financial pressures.
- 1.2 The MTRS provides options for delivering a sustainable budget and capital programme over the medium term. It also sets out how the Authority can provide the resources to deliver the priorities in the Community Risk Management Plan (CRMP) within the challenging financial climate.
- 1.3 The MTRS sets the financial context for the Authority's revenue budget, capital programme and precepting decisions.
- 1.4 The overall financial strategy seeks to deliver the Authority's Community Risk Management Plan, 2025 – 2028 and will be refined to reflect this.

## **2. Aims of the Strategy**

- 2.1 The MTRS assists in:
  - (i) Supporting delivery of the Community Risk Management Plan 2025-2028;
  - (ii) Improving financial planning and the financial management of the Authority's resources, both revenue and capital;
  - (iii) Maximising the use of resources available to the Authority, both internal and external;
  - (iv) Ensuring that the Authority provides value for money and continues to deliver efficiency gains;
  - (v) Reviewing the Authority's policy on the use of reserves, ensuring the position continues to be sustainable and that there are sufficient resources over the medium term;
  - (vi) Responding to external pressures, including changes to funding resulting from the Government's annual funding announcements.
  - (vii) Ensuring that the Authority's long-term plans are sustainable and efficient.

## **3. Principles of the Strategy**

- 3.1 The key principles underlying the Authority's MTRS 2026/27 – 2030/31 are:
  - (i) Overall expenditure of the Authority will be contained within original estimates each year.
  - (ii) The Authority will maintain a Prudent Minimum General Reserve (PMGR), reviewed annually, to cover any major unforeseen expenditure or loss of funding. A flexible approach will be taken to the use of reserve balances above this level where appropriate, balancing the opportunity costs of maintaining reserves against the benefits of alternative approaches.
  - (iii) The Authority will maintain earmarked reserves for specific purposes only when appropriate, and which are consistent with achieving objectives.

- (iv) The Authority will continue to prioritise the achievement of Value for Money, securing economy, efficiency and effectiveness in the use of resources; in establishing the framework for the Fire Service within Humberside and; in commissioning and procurement decisions.
- (v) The Authority's Chief Finance Officer will prepare a rolling programme of five-year budget forecasts to inform the Authority's budget and precepting decisions.
- (vi) The Authority, supported by the Authority's Chief Finance Officer and Chief Fire Officer/Chief Executive, will continue to contribute to national reviews of fire funding and take every opportunity to engage in order to pursue the fair and equitable funding of Humberside Fire Authority.

#### **4. Reviewing the Strategy**

4.1 The Authority's MTRS review for 2026/27 to 2030/31 has been carried out under the following key themes:

- (i) The financial context in which the Authority operates;
- (ii) The Authority's current financial position;
- (iii) The impact of the revised CRMP including the impact of the Grenfell Tower tragedy, increased focus on business safety and Local and National Resilience arrangements;
- (iv) The impact of inflation;
- (v) The future budget pressures that the Authority will face over the period of the strategy;
- (vi) Budget savings;
- (vii) The Authority's capital programme;
- (viii) Reserves policy;
- (ix) Risk assessment;
- (x) Financial Resilience.

#### **5. Community Risk Management Plan**

5.1 The successful delivery of the Strategy requires the Chief Fire Officer to manage a complex set of resources, demands, and priorities whilst reviewing and revising plans to meet the risk profile for fire services within the available financial resources.

5.2 HMICFRS (His Majesty's Inspectorate of Constabulary and Fire & Rescue Services) considers that a Service is efficient if it is making the best use of its resources to provide fire services that meet expectation and follow public priorities, and if it is planning and investing wisely for the future.

5.3 The Authority's MTRS is underpinned by workforce planning and capital programmes which are aligned with the delivery of the Community Risk Management Plan priorities and the continued delivery of an efficient and effective fire service to the communities of Humberside.

5.4 The Service is instrumental in identifying the risk in communities and providing engagement using the community safety teams. The CRMP identifies the level of risk in each of the four Local Authority areas and resources are located and distributed on this basis. The intervention standards allow measurement of the response to incidents based on the risk rating established.

## 6. Financial Context

- 6.1 **Funding Formula** – The Fire and Rescue Service relative needs formula (RNF), used to distribute Grant between Fire and Rescue Services, was introduced in 2010/11. 2026/27 marks the first full reassessment of the formula. The aim of the review was to ensure that funding distribution more accurately reflects up-to-date data on need, risk, and cost, and that the method used to allocate resources is transparent, robust, and aligned to the current operational environment of the Fire and Rescue Service. These assumptions have been modelled in this MTRS.
- 6.2 **Local Government Finance Settlement and Council Tax Precept** – The Autumn Statement was announced on the 26<sup>th</sup> November 2025. Following this announcement amendments to grant and council tax assumptions were made. The Provisional Local Government Finance Settlement and Council Tax referendum rules were announced on 17 December 2025.
- 6.3 This MTRS as presented includes an increase in the precept of £4.99 for a Band D property for the period 2026/27 – 2028/29. An increase of 2.99% has been included for future years. Final decisions on the actual precept will be made each year by the Authority based on the financial circumstances at the time.
- 6.4 The Secretary of State determines the maximum increase that Fire and Rescue Authorities can make to Council Tax Precept without requiring a referendum and in 2026/27 this is £5.
- 6.5 The Authority has run a public consultation on the level of Council Tax Precept for 2026/27. There have been 1,553 responses with 77% of these agreeing with an increase.

## 7. Current 2025/26 Financial Position

- 7.1 The Authority's budget for 2025/26 is £60.131m. The quarter three revenue monitoring report shows a projected budget overspend of £0.034m as at 31 December 2025.

2025/26 Revenue Monitoring – Quarter 3 Position			
	Current Budget 2025/26	Projected Outturn 2025/26	Variance 2025/26
<b>Financial Position</b>	£m	£m	£m
Fire Response and Protection	59.350	58.190	(1.160)
Capital Financing	3.211	2.844	(0.367)
<b>Net Expenditure</b>	<b>62.561</b>	<b>61.034</b>	<b>(1.527)</b>
Central Government Grant	22.424	22.424	-
Business Rates	7.013	7.013	-
Council Tax Precept	30.694	30.694	-
<b>Central Grant and Precept Total</b>	<b>60.131</b>	<b>60.131</b>	<b>-</b>
Appropriations (to) / from reserves	<b>2.430</b>	<b>0.869</b>	<b>1.561</b>
<b>Net Position</b>	<b>-</b>	<b>0.034</b>	<b>0.034</b>

7.2 The budget is held by the Authority to provide financial resources to deliver operational fire response and protection. The Capital Financing budget comprises the revenue provision for repayment of borrowing, interest costs and investment income.

7.3 The overall forecast represents an overspend of £0.034m.

7.4 The forecast closing position on reserves for 2025/26 is £14.160m.

## 8. Medium Term Budget Pressures in Humberside

8.1 When calculating the medium-term budget projections for Humberside consideration has been given to a number of budget pressures including:

- (i) Pay and price increases;
- (ii) Budget pressures;
- (iii) Revenue implications of the capital programme.

8.2 **Pay and price increases** - Indicative budget forecasts for 2026/27 to 2030/31 reflect the impact of inflation on budgets wherever possible such as energy, business rates and rent increases along with known contract increases. In addition, estimates for future pay awards are at 3% in both 2026/27 and 2027/28, and 2% in each of the years 2028/29 to 2030/31.

8.3 **Budget pressures** - The MTRS also includes estimates of the impact of the valuation of the Firefighters' Pension Scheme and the triennial review of the Local Government Pension Scheme (LGPS).

8.4 **Revenue implications of the capital programme** – The most recent approved five-year capital programme is summarised in Section 10 below. The implications of this programme are fully reflected in the MTRS.

## 9. Medium Term Efficiencies and Productivity

9.1 Throughout the MTRS period efficiencies will continue to be delivered wherever possible, to sustain the investment in the fire service and balance the budget (See 11.2), for example:

- (i) Service Improvement Plan;
- (ii) Non-pay savings (3% each year);
- (iii) Savings through procurement through the continued use of regional and national frameworks;
- (iv) Maximising income generation wherever possible.

9.2 The Authority is actively engaged in NFCC Efficiency and Productivity workstreams with our Chief Fire Officer/Chief Executive being the National NFCC Lead for Productivity and Efficiency. The Authority has produced a Productivity and Efficiency Plan which is published on the Authority's website. [Productivity and Efficiency Plan 2025/26](#)

## 10. Capital Estimates and Financing

10.1 The following table provides a summary of the 5-year capital programme:

Capital Estimates	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
Major and Minor Building Schemes	5.727	2.164	9.010	6.980	4.897	28.778
Information Technology	0.300	0.300	0.350	0.350	0.300	1.600
Vehicles and Equipment	2.480	2.612	2.597	2.493	1.714	11.896
<b>Total</b>	<b>8.507</b>	<b>5.076</b>	<b>11.957</b>	<b>9.823</b>	<b>6.911</b>	<b>42.274</b>

10.2 Key areas to note in the proposed programme are:

- (i) **Building Schemes** - Estates refurbishment and replacement programme based on operational requirements;
- (ii) **Information Technology** - the Service have a number of Improvement Schemes to deliver change and efficiency through transformation and costs relating to the implementation of the Emergency Services Network (ESN);
- (iii) **Vehicles and Equipment** - a rolling programme of vehicle replacement and programmes for upgrading equipment.

### Capital Financing

Capital Estimates	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
Forecast Expenditure	8.507	5.076	11.957	9.823	6.911	42.274
<b>Financed by:</b>						
Grants and Contributions	1.620	1.495	2.183	1.950	1.200	8.448
Prudential Borrowing	6.887	3.581	9.774	7.873	5.711	33.826
<b>Total Financing</b>	<b>8.507</b>	<b>5.076</b>	<b>11.957</b>	<b>9.823</b>	<b>6.911</b>	<b>42.274</b>

10.3 The capital financing approach is to use Prudential borrowing and identified revenue contributions and reserves where appropriate to fund the Capital Programme and as mentioned in paragraph 8.4 the revenue implications of this borrowing is fully reflected in the MTRS Budget Forecast.

## 11. Indicative Budget Forecasts 2026/27 to 2030/31

11.1 All the budget pressures, budget savings and funding assumptions outlined earlier in this Strategy are summarised below. Having considered the savings proposals and the availability of reserves to support the MTRS an important consideration is the precept proposal for 2026/27. The MTRS includes a precept increase of £4.99 built into the funding for each of the years 2026/27 to 2028/29, with a 2.99% increase in future years.

11.2 The budget forecast position is set out in the following table:

MTRS Budget Forecast	2026/27	2027/28	2028/29	2029/30	2030/31
	£m	£m	£m	£m	£m
<b>Base budget</b>	<b>62.561</b>	<b>62.669</b>	<b>63.538</b>	<b>65.221</b>	<b>66.719</b>
<b>Budget pressures</b>					
Pay Related Increases	1.596	1.481	1.153	1.627	1.101
Non-Pay Inflation	0.482	0.379	0.351	0.368	0.397
Budget pressures / (Savings)	(0.412)	0.100	0.154	0.050	-
Revenue Impact of Capital Financing	(0.392)	0.077	1.203	(0.158)	(0.514)
<b>Total budget pressures</b>	<b>1.274</b>	<b>2.037</b>	<b>2.861</b>	<b>1.887</b>	<b>0.984</b>
Efficiency Savings Requirement	(0.366)	(0.368)	(0.378)	(0.389)	(0.400)
Additional Savings Requirement	(0.800)	(0.800)	(0.800)	-	-
<b>Net Budget Requirement</b>	<b>62.669</b>	<b>63.538</b>	<b>65.221</b>	<b>66.719</b>	<b>67.303</b>
Central Government Grant Income	24.004	22.474	20.494	20.904	21.322
Funding Floor	1.278	1.833	2.398	2.442	2.490
Business Rates Received from Local Authorities	4.478	4.569	4.654	4.741	4.833
Business Rates – Collection Fund Surplus / (Deficit)	0.038	(0.300)	(0.300)	(0.300)	(0.300)
Council Tax Precept Income	32.019	33.918	35.860	37.395	38.994
Council Tax Precept - Collection Fund Surplus / (Deficit)	0.272	0.250	0.250	0.250	0.250
<b>Total Income</b>	<b>62.089</b>	<b>62.744</b>	<b>63.356</b>	<b>65.432</b>	<b>67.589</b>
<b>Funding Gap / (Surplus) Before Reserves</b>	<b>0.580</b>	<b>0.794</b>	<b>1.865</b>	<b>1.287</b>	<b>(0.286)</b>
<b>Planned use of reserves:</b>					
Transfer (from)/to Earmarked Reserves	(0.620)	(0.895)	(1.983)	(1.350)	-
Transfer (from)/to General Reserves	0.040	0.101	0.118	0.063	0.286
<b>Funding gap / (surplus) after use of reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

11.3 The deficits resulting from changes in the Fire Funding Formula, have meant that additional savings of £1m per year for the years 2026/27 to 2028/29 are required. Should the Funding Floor Grant be removed in subsequent years then further savings requirements of £2.4m will be needed from 2029/30.

11.4 The forecast budget is allocated as follows between Fire Service and Capital Financing.

<b>Humberside Fire Authority</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Fire Response and Protection	59.599	60.091	60.521	61.128	63.225
Capital Financing	3.070	3.447	4.700	4.591	4.078
<b>Total</b>	<b>62.669</b>	<b>63.538</b>	<b>65.221</b>	<b>66.719</b>	<b>67.303</b>

11.4 **Budget Monitoring arrangements** – the S.151 Officer confirms that the Authority has timely and robust monitoring arrangements. Management Accounts are reported to the Fire Authority and the Governance, Audit and Scrutiny Committee on a quarterly basis.

## 12. Reserves

### Background information on Reserves

12.1 Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when preparing budgets.

12.2 In establishing reserves, the Authority must comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Chief Finance Officer is required as part of the budget setting process to provide a statement on the adequacy of reserves.

12.3 Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Reserves and Balances (LAAP Bulletin No 77 November 2008) and the requirements of the Code suggests twice yearly reviews of reserves. By doing this, the visibility of reserves are increased and consideration of their use is placed at the forefront of the decision-making process. Reserves are cash backed balances, held on the balance sheet until they are spent or released for other purposes. As such, they can only be spent once, and are not part of the base budget.

12.4 In addition, CIPFA recommend as good practice that Fire Authorities publish an Annual Reserve Strategy Statement. The statement provides an explanation for each reserve along with its value. It also includes a narrative explaining whether the current and projected level of reserves is appropriate, and if governance arrangements for reserves are adequate and appropriate.

12.5 The Authority's balance sheet reserves are summarised as follows:

- (i) **General Reserves** - a contingency for unexpected events or emergencies;
- (ii) **Earmarked Reserves** - to meet known or predicted liabilities.

12.6 CIPFA guidance issued in June 2003 confirms that relevant bodies should make their own judgements on such matters, taking in to account relevant local circumstances and an assessment of risk and the advice of the Chief Finance Officer.

### Reserves Strategy

12.7 The Authority must retain adequate reserves so that unexpected budget pressures can be met without adverse impact on the achievement of key objectives and council taxpayers. The Authority's policy for reserves and balances is based on a thorough understanding of the

organisation’s needs and risks. Part of this process is to give a clear explanation of the existing and proposed use of reserves and this is addressed in the paragraphs below.

### General Reserve

12.8 The expected General Reserve at 1 April 2026 will be adjusted to £6.0m to match the identified level required following the risk assessment used to produce the Prudent General Minimum Level of Reserves following the end of 2025/26 financial year.

### Earmarked Reserves

12.9 Earmarked Reserves represent funds which have been set aside by the Authority for specific purposes. The table below shows the overall strategy for use of reserves over the MTRS period.

MTRS Reserves Forecast	At 1 April 2026 £m	At 1 April 2027 £m	At 1 April 2028 £m	At 1 April 2029 £m	At 1 April 2030 £m	At 1 April 2031 £m
<b>Earmarked Reserves</b>						
Insurance	0.500	0.500	0.500	0.500	0.500	0.500
National Flood Resilience Centre	1.000	1.000	1.000	-	-	-
Capital Programme Funding	3.848	3.228	2.333	1.350	-	-
Business Continuity	0.500	0.500	0.500	0.500	0.500	0.500
Strategic Transformation Fund	0.500	0.500	0.500	0.500	0.500	0.500
Control Room	1.245	1.245	1.245	1.245	1.245	1.245
Pay and Prices	0.600	0.600	0.600	0.600	0.600	0.600
<b>Total Earmarked Reserves</b>	<b>8.193</b>	<b>7.573</b>	<b>6.678</b>	<b>4.695</b>	<b>3.345</b>	<b>3.345</b>
General Reserves	5.967	6.007	6.109	6.226	6.289	6.575
<b>Total Reserves</b>	<b>14.160</b>	<b>13.580</b>	<b>12.787</b>	<b>10.921</b>	<b>9.634</b>	<b>9.920</b>

12.10 The Authority retains £8.193 Earmarked reserves for the following purposes:

- Insurance – to meet potential uninsured losses;
- National Flooding Resilience Centre – to meet HFA contribution to the project;
- Capital Programme Funding – funding for the Capital Programme;
- Business Continuity – to meet any expenditure required in relation to maintaining the Service’s resilience;
- Strategic Transformation Fund – funding to support transformation initiatives;
- Control Room – to meet costs in relation to the introduction of a new Control system; and
- Pay and Prices – funding for pay and prices increases in excess of budget assumptions.

12.11 **Adequacy of Reserves** – the S.151 Officer confirms that the current reserves held by the Authority are adequate. The position on reserves will be kept under continuous review and will be reviewed again during 2026/27. Any material changes will be reported to the Authority.

### 13. Risk Assessment

13.1 The MTRS contains the most up to date information at the time of drafting, but the Authority's financial position is dynamic. A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure all risks and uncertainties affecting the Authority's financial position are identified. The Authority faces a number of significant financial pressures that could affect the position over the medium term. An assessment of the likelihood and impact of each risk and the management controls in place are shown in the following table:

Risk	Likelihood	Impact	Risk Management
Pay awards and price inflation being higher than anticipated.	Possible	Medium	Budget based on best information available and set at a prudent level.
Failure to deliver planned savings.	Possible	High	Revenue monitoring updates to the Fire Authority.
Industrial Action	Possible	High	Recruitment of contingency crews. Inclusion of funding in the General Reserve
Further reductions in funding included in the next Comprehensive Spending Review and an unfavourable review of funding formula.	Possible	High	Balance on the General Reserve maintained at the Prudent General Minimum; forward planning; regular monitoring.
Future council tax precept rises limited by excessiveness principles determined by the Government.	Likely	Medium	Balance on the General Reserve maintained at the Prudent General Minimum; forward planning.

13.2 **Robustness of Estimates** - the S.151 Officer confirms that the budget estimates have been compiled on a robust and prudent basis.

## 14. Financial Resilience

### Sensitivity analysis

- 14.1 The MTRS refresh is being undertaken in a more uncertain environment as significant inflationary pressures impact the economy.
- 14.2 Funding assumptions both in relation to local and national funding are likely to cause material changes late on in the planning process. This cannot be avoided but needs to be recognised.
- 14.3 The current MTRS assumes pay awards at 3% in both 2026/27 and 2027/28, and 2% in each of the years 2028/29 to 2030/31.
- (i) Pay makes up circa 85% of the total net spend which remains one of our single largest assumptions. The table below shows the impact of differing pay awards in terms of sensitivity. Each additional 1% will cost an additional £0.5m per year.
- (ii) The following information has been received from external sources around medium-term inflation rates based on their in-depth analysis of the current market:

Budget	Increase 2026/27 %	Reason
Insurances	10.0	Renewals due and hardening of market
Waste, Cleaning, Building Maintenance	5.0	Contract price increases
Electricity	5.0	Supply and demand on global market
Gas	5.0	Supply and demand on global market
Water	5.0	Historical rate of increase
Rates	5.0	Inflation
Fuel	5.0	Forecast oil price
IT	10.0	Shortage in skilled labour and higher shipping costs

- (iii) The uncertain environment in relation to income continues to be a challenge in relation to medium term financial planning. The following sensitivity analysis has been undertaken across three scenarios ahead of the spending review across both central government and local funding streams:

## Medium Term Resilience

14.4 The following six indicators have been developed by CIPFA to demonstrate the medium-term financial resilience of Fire Authorities. These indicators allow benchmarking with other Authorities and organisations and provide an overall assessment of financial resilience.

14.5 Funding gap as a percentage of Net Revenue Expenditure (NRE) over the MTRS period - Authorities need to have a clear estimate of their funding gap over the Medium-term Resource Strategy.

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
NRE	63.835	64.706	66.399	67.108	67.703
Estimated Funding Gap	1.745	1.962	3.043	1.676	0.114
<b>Gap as a % of NRE</b>	<b>2.73%</b>	<b>3.03%</b>	<b>4.58%</b>	<b>2.50%</b>	<b>0.17%</b>
Savings Required	1.166	1.168	1.178	0.389	0.400
Use of Earmarked Reserves	0.620	0.895	1.983	1.350	-
<b>Unidentified Gap as a % of NRE</b>	<b>(0.06%)</b>	<b>(0.16%)</b>	<b>(0.18%)</b>	<b>(0.09%)</b>	<b>(0.42%)</b>

14.6 Savings delivered as a percentage of planned savings – Authorities need to be sure that savings plans are effective and planned savings are delivered.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
MTRS Savings Planned	0.127	0.240	0.280	0.285	0.379
MTRS Savings Achieved	0.127	0.240	0.280	0.285	0.379
<b>% of Savings Achieved</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

14.7 Over/underspends relative to Net Expenditure – It is important that Authorities keep over/underspending under control and that actual expenditure is as close as possible to the levels planned.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
NRE	45.290	47.614	52.127	58.082	60.131
Over/(Under)spend	(0.991)	(0.448)	(0.277)	(0.046)	0.034
<b>Over/(Under)spend as a % of NRE</b>	<b>(2.19%)</b>	<b>(0.94%)</b>	<b>(0.53%)</b>	<b>(0.01%)</b>	<b>0.00%</b>

\*estimated position

14.8 Useable Reserves as a percentage of Net Revenue Budget – Reserves allow for periods of uncertainty to be managed and healthy levels of useable reserves are an important safety net to support financial stability.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
NRE	45.290	47.614	52.127	58.082	60.131	62.669	63.538	65.221	66.719	67.303
Resource Reserves										
General	6.373	6.946	6.000	6.001	5.967	6.007	6.109	6.226	6.289	6.575
Earmarked	7.408	7.865	9.090	9.680	8.193	7.573	6.678	4.695	3.345	3.345
<b>Resource Reserves as a % of NRE</b>	<b>30.4%</b>	<b>31.1%</b>	<b>28.6%</b>	<b>27.0%</b>	<b>23.5%</b>	<b>21.7%</b>	<b>20.1%</b>	<b>16.7%</b>	<b>14.4%</b>	<b>14.7%</b>
<b>Change in %</b>	<b>7.8%</b>	<b>0.7%</b>	<b>(2.5%)</b>	<b>(1.6%)</b>	<b>(3.5%)</b>	<b>(1.8%)</b>	<b>(1.6%)</b>	<b>(3.4%)</b>	<b>(2.3%)</b>	<b>0.3%</b>

14.9 Council Tax as a percentage of Income – This shows the reliance of Fire and Rescue Services on core grants and potential impact changes in core grant funding could have on the financial sustainability of the Authority.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
Precept	24.148	25.312	27.055	28.326	30.288	32.019	33.918	35.860	37.395	38.994
Total Financing	45.163	47.614	52.127	58.082	60.131	62.089	62.744	63.356	65.432	67.589
<b>Precept as a % of Total Financing</b>	<b>53.5%</b>	<b>53.2%</b>	<b>51.9%</b>	<b>48.8%</b>	<b>50.4%</b>	<b>51.6%</b>	<b>54.1%</b>	<b>56.6%</b>	<b>57.2%</b>	<b>57.7%</b>

14.10 The Cost of Borrowing as a percentage of Net Revenue Expenditure – Borrowing commitments are long term and must be funded from ongoing revenue budgets. This table shows the amount of revenue funding committed to meet current and future borrowing commitments.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m
NRE	45.290	47.614	52.127	58.082	60.131	62.669	63.538	65.221	66.719	67.303
Borrowing	16.984	18.169	16.669	15.828	15.000	18.000	19.000	20.000	23.000	24.000
MRP	0.792	0.818	0.955	0.963	1.266	1.286	1.428	1.579	1.791	1.999
Interest	0.621	0.358	0.510	0.364	0.608	0.663	0.724	0.788	0.951	0.979
<b>Cost of Borrowing as a % of NRE</b>	<b>3.1%</b>	<b>2.5%</b>	<b>2.8%</b>	<b>2.3%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.4%</b>	<b>3.6%</b>	<b>4.1%</b>	<b>4.4%</b>
Level of Debt	16.984	18.169	16.669	15.828	15.000	18.000	19.000	20.000	23.000	24.000
<b>Level of Debt as a % of NRE</b>	<b>37.5%</b>	<b>38.2%</b>	<b>31.6%</b>	<b>27.2%</b>	<b>24.9%</b>	<b>28.7%</b>	<b>29.9%</b>	<b>30.7%</b>	<b>34.5%</b>	<b>35.7%</b>

## **15. Procurement Strategy**

- 15.1 We recognise the importance of procurement to our core business and the strategic impact of procurement decisions. Furthermore, good procurement is essential to achieving the actions and objectives set out within our Community Risk Management Plan (CRMP). Good procurement delivers fit for purpose solutions that meet stakeholder requirements whilst achieving value for money. It is integral to delivering commercially advantageous and innovative solutions essential for meeting our objectives and driving continuous improvement.
- 15.2 The term 'Procurement' has a far broader meaning than simply buying products. Procurement is defined as the efficient acquisition of appropriate goods, services and/or works that provide the best possible value taking into account quality and cost during the life cycle of what is being procured.
- 15.3 The procurement process spans the whole life cycle of a product or service from identification of the requirement through to the useful life of a product or service (also defined as an asset). HF&RS's procurement processes promote fair and transparent competition, minimising exposure to fraud and collusion by effectively managing commercial risk and ensuring optimum value for money.
- 15.4 Achieving best value for public services and driving economic growth are both fundamental objectives set by the Government in tackling the current economic climate. Public sector procurement is uniquely placed to contribute to both objectives. The Government has identified improved procurement as having an important role to play in delivering its economic policy. As such the current economic climate introduces an opportunity for the role of procurement to operate at a strategic level delivering an important contribution to our Service.
- 15.5 As a public sector body we are subject to Regulations on Public Sector Procurement. These regulations are introduced into law by the UK Public Contract Regulations (PCRs). We are bound by this legislation of which the founding principles are fairness, non-bias, and transparency. We are also required to consider how our services benefit people living in the local community under the Public Services (Social Value) Act.
- 15.6 We set out our standards for contracts and purchasing arrangements in our own Constitution through the Financial and Contract Procedure Rules, with a view to ensuring that the Authority's procurement is conducted in a sound and proper manner, constitute value for money, and minimise the risk of legal challenge to the Service. All of our procurement must be carried out in accordance with this framework.
- 15.7 Procurement within the sector is structured with both national and regional groups. These groups facilitate collaborative procurement, share best practice and embark on procurement related projects.
- 15.8 With the support of the National Fire Chiefs Council (NFCC), National Procurement Groups and the Yorkshire and Humber Procurement Group. We have strong links which support effective communication and information sharing.
- 15.9 Collaboration and partnerships with other emergency services has been an increasing focus of Government policy in recent years and we are making procurement collaboration a fundamental aspect of procurement in HF&RS. In particular we work to explore the business case for further shared procurement where these present value for money. We will be an active participant in initiatives flowing from the NFCC. We will also support a joint approach to evaluating products

procured to reduce duplication, facilitate the sharing of knowledge, and make procurement more efficient.

15.10

**Objective 1 - Achieve Value for Money**

Securing value for money is central to our procurement strategy. This means achieving the optimal balance between cost, quality, and delivery for the goods, services, or works we procure. We actively participate in regional and national procurement exercises to identify opportunities for enhancing our practices. Additionally, we enter into collaboration agreements whenever practicable and beneficial. We will continue to explore the business case for increased shared procurement with other emergency services.

**Objective 2 – Procure Fit for Purpose Solutions**

The success of our centralised procurement section relies on strong and effective communication channels. Undertaking procurement within a governance framework which forms a strong basis for procuring fit for purpose solutions. Our procurement processes are designed to deliver the right things, in the right place, at the right time.

**Objective 3 – Ensure Legislative Compliance**

Public sector procurement is governed by the Public Contract Regulations. The main principle of this legislation is to ensure procurement is undertaken in a fair, open and transparent manner. Ensuring that we undertake our procurement processes in accordance with this legislation is mandatory.

**Objective 4 – Work in support of the wider agenda**

Intelligent procurement goes beyond securing the best price for our organisation. The Public Services (Social Value) Act requires commissioners of public services to consider how their services benefit the local community. We leverage our role as a procurer to positively impact outcomes, securing broader social, economic, and environmental benefits.

**Objective 5 – Promote Professional Standards**

Our procurement activity is founded on professional standards. The principle of integrity, fairness, and transparency is central to everything we do and is aligned with our organisations core values. We invest significant resource in continuous professional development of our procurement professionals. This ensures we have competent individuals with strong commercial awareness undertaking our procurement processes.

## **16. Conclusion**

- 16.1 The overall financial position for Humberside Fire Authority is sustainable over the medium term. However, this position relies on annual council tax increases of £4.99 on a Band D property in 2026/27, additional savings of £2.4m above the assumed efficiency savings targets in the period 2026/27 to 2028/29, and the use of £1.4m from reserves during 2026/27 and 2027/28. The Authority's overall financial position will be reviewed on an on-going basis.
  
- 16.2 The MTRS sets out how all five years will be financed and general reserves are set at the level identified in the Prudent Minimum General Reserve assessment, estimated at £6.0m for 2026/27.