

2023/24 Budget - Baseline Challenge

Agenda Item 7

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Report title: 2023/24 Budget - Baseline Challenge	
Report to: Essex Police, Fire and Crime Panel	
Report author: Police, Fire and Crime Commissioner for Essex	
Date: 29 September 2022	For: Noting and comment
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County Divisions affected: All Essex	

1. Purpose of Report

This report lays out the background issues, the current assumptions, and the baseline challenge in setting the 2023/24 budgets for both Essex Police and Essex Fire and Rescue Services.

2. Recommendations

To note the background issues, the current assumptions, and the baseline challenge, in setting the 2023/24 budgets for Essex Police and Essex Fire and Rescue Services

3. Context

- 3.1. The 2023/24 budgets for Essex Police and Essex Fire and Rescue Services are being set against the backdrop of a challenging economic environment, with inflation expected to rise to an annual increase of 13% before the end of 2022, interest rates rising and the likelihood of a recession increasing.

4. Essex Police - Medium Term Financial Strategy (MTFS)

- 4.1. The Essex Police MTFS that was presented to the Police, Fire and Crime Panel in February 2022 showed the following position as laid out in figure 1 below:

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Figure 1 Essex Police MTFS at February 2022

Actual/Forecast			Medium Term Financial Strategy 2022/23 - 2026/27						
2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	5 Year Total	
£m	£m	£m	£m	£m	£m	£m	£m	£m	
300.3	312.8	338.3	Net Budget Requirement - before appropriations to/from reserves	356.1	369.5	375.1	384.0	390.1	1,874.8
2.0	6.7	4.4	Net Appropriations to/(from) Reserves	(0.2)	(0.6)	0.0	0.0	0.0	(0.8)
302.3	319.5	333.9	Budget Requirement (Inc Appropriations to Reserves) - before Savings & Efficiencies	355.9	368.9	375.1	384.0	390.1	1,874.0
(4.7)	(4.8)	(3.6)	Savings & Efficiencies Plan (Cashable)	(3.7)	(3.0)	(3.0)	(3.0)	(3.0)	(15.7)
297.6	314.7	330.3	Net Budget Requirement - after savings applied	352.2	365.9	372.1	381.0	387.1	1,858.3
(297.6)	(314.7)	(330.3)	Total Funding	(352.2)	(363.1)	(373.0)	(379.7)	(386.6)	(1,854.6)
0.0	0.0	0.0	Annual (Shortfall)/Surplus	0.0	(2.8)	0.9	(1.3)	(0.5)	(3.7)

4.2. At this time the shortfall in 2023/24 of £2.8m was based on the following key assumptions:

- A council tax precept increase of 2.5%;
- Police officer FTEs at 3,755 from the start of the year;
- A pay increase of 2.5% for officers and staff in September 2022 and September 2023
- A 1.75% increase in the tax base (1.73% increase in 2022/23);
- A £1.8m surplus on the Collection Fund (includes a share of the 2021/22 deficit, which local authorities have been able to spread over three years;
- New recurring cashable savings of £3.0m, and
- The Home Office police grants in line with the most recent Comprehensive Spending Review (CSR), with Essex receiving a share of the grant uplift in line with existing funding share allocations.

4.3. These assumptions have been updated and the MTFS at September 2022 shows the position as laid out in figure 2 below, which demonstrates the baseline challenge:

Figure 2 Essex Police September 2022 MTFS

			Medium Term Financial Strategy 2023/24 - 2027/28						
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	5 Year Total	
£m	£m	£m	£m	£m	£m	£m	£m	£m	
312.8	330.5	357.9	Net Budget Requirement - before appropriations to/from reserves	384.4	386.0	393.3	400.2	405.2	1,969.1
6.7	2.7	(2.0)	Net Appropriations to/(from) Reserves	(3.1)	(2.6)	(2.4)	(1.4)	0.0	(9.5)
319.5	333.2	355.9	Budget Requirement (Inc Appropriations to Reserves) - before Savings & Efficiencies	381.3	383.4	390.9	398.8	405.2	1,959.6
(4.8)	(2.9)	(3.7)	Savings & Efficiencies Plan (Cashable)	(7.8)	(3.0)	(3.0)	(3.0)	(3.0)	(19.8)
314.7	330.3	352.2	Net Budget Requirement - after savings applied	373.5	380.4	387.9	395.8	402.2	1,939.8
(314.7)	(330.3)	(352.2)	Total Funding	(369.4)	(379.5)	(386.3)	(393.4)	(400.8)	(1,929.4)
0.0	0.0	0.0	Annual (Shortfall)/Surplus	(4.1)	(0.9)	(1.6)	(2.4)	(1.4)	(10.4)

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- 4.4. The position in figure 2 for 2023/24 shows a deficit of £4.1m, compared to the £2.8m deficit in figure 1, at February 2022. This movement is made up of a number of changes to the assumptions, as well as actual changes that have taken place since February 2022. Figure 3 below shows the assumptions at February 2022 and those in the September 2022 MTFS, with an estimated financial impact to analyse the overall adverse movement of £1.3m.

Figure 3 Essex Police MTFS summary of September 2022 MTFS 2022/23 movements since the February 2022 MTFS

Assumptions			2023/24 Movements
	February 2022 MTFS	September 2022 MTFS	£m (Deficit/Adverse)
February 2022 MTFS (Deficit in 2023/24)			(£2.8m)
Precept	2.5% each year from 2023/24	4.57% (£9.99) in 2023/24 2.5% each year from 2024/25	£3.1m
Police Officers 31 March 2023	3,755 FTEs	3,755 FTEs	
Pay Award	2.5% each year (officers & staff)	2022/23 £1,900 increase (officers & staff) 2.5% each year from 2023/24 (officers & staff)	(£7.5m)
South-East Allowance		£500 increase 2022/23	(£2.1m)
Taxbase	1.75% increase annually	1.75% increase annually	
Inflation	Contractual inflation on previous year's trend	Contractual inflation on previous year's trend Utilities & fuel updated following global rises Contractual inflation updated based on bids	(£3.0m)
One off Budget pressures	Funded from recurring budget of £3.3m	Funded from reserves 2023/24 onwards.	
Collection Fund	Surplus of £1.8m annually	Surplus of £1.8m annually	
Savings	£3m annually	2023/24 £7.8m identified by Efficiency Savings and Growth Board. £3m annually thereafter	£4.8m
Home Office Grants	Increase in line with 2021 CSR Share of uplift in line with Essex share of existing allocations Ring fenced element of 2022/23 PUP funding rolled up into main grant	Increase in line with 2021 CSR Uplift share based on Essex share of existing allocations Ring fenced element of 2022/23 PUP funding rolled up into main grant Additional £3.2m of grant towards cost of police officer pay award and remains in core grant annually thereafter.	£3.2m
	Other Changes		£0.2m
	Overall Movement		(£1.3m)
September 2022 MTFS (Deficit in 2023/24)			(£4.1m)

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4.5. The table at figure 4 shows the detail of the changes to the MTFS since February 2022, based on the assumptions in the table at figure 3. In addition, the table at figure 5 shows the impact that the current MTFS has on the General Reserve. Whilst in 2023/24 it will remain above the 3% targeted requirement, in the following years it progressively falls to 0.7%, which is not a practicable position. Therefore, in further iterations of the MTFS and the 2023/24 budget, we will need to consider options to build the General Reserve back to 3% in future years.

Figure 4 Essex Police detail of the September 2022 MTFS movements since the February 2022 MTFS

Actual / Forecast									Medium Term Financial Strategy - 2022/23 to 2026/27						Movements since the February 2022 MTFS				Explanation of Movements since the February 2022 MTFS
2020/21 Actual	2021/22 Actual	2022/23 Forecast							2023/24		5 Year Total								
£m	£m	£m	2023/24	2024/25	2025/26	2026/27	2027/28	5 Year Total	2023/24	Change (reduction)/ Increase	5 Year Total	Change (reduction)/ Increase							
			£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m						
312.8	333.8	330.3	Opening Budget Requirement		352.2	373.5	380.4	387.9	395.8	1,889.8	352.2	0.0	1,801.5	88.3	Impact of all changes in each year's carry forward				
(1.9)	(1.4)	0.9	Prior year activity agreed at Budget Setting		0.5	(1.3)	0.0	0.0	0.0	(0.8)	0.7	(0.2)	0.9	(1.7)					
		2.8	Pay Award		12.3	5.0	5.2	5.2	5.4	33.1	4.8	7.5	23.3	9.8	Sept 2022 increase from 2.5 % to £1,900				
		2.3	Pay Progression		2.4	2.4	2.4	2.4	2.4	12.0	2.0	0.4	10.3	1.7	Updated pay increments				
		3.7	Pay - Other		(0.7)	0.3	0.3	0.3	0.3	0.5	1.1	(1.8)	8.1	(7.6)	Increase to 'turnover' adjustment				
		0.0	LGPS Pension Shortfall & Auto Enrolment		0.6	0.0	0.0	0.5	0.0	1.1	0.6	0.0	0.6	0.5	Increase for known increases				
		0.9	Contractual Inflation		3.5	2.0	1.0	1.0	1.0	8.5	0.5	3.0	2.9	5.6	Includes updates to PEQF forecast				
		3.4	Contractual & Legal		0.8	0.4	0.5	0.5	0.0	2.2	0.9	(0.1)	5.1	(2.9)					
		0.0	COG Approved Investment		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
		5.9	Committed Change (Includes FYE of PUP)		6.8	0.0	0.0	0.0	0.0	6.8	5.8	1.0	12.6	(5.8)	FYE of Sept 2022 pay award on FYE of PUP				
		2.1	Revenue Impact of Investment		2.5	2.2	2.5	1.3	0.3	8.8	2.6	(0.1)	10.4	(1.6)	Updates on capital forecasts				
		8.9	New Demand & Budget Growth		3.5	1.5	1.0	1.1	0.0	7.1	1.6	1.9	16.5	(9.4)	South East Allowance from £2,500 to £3,000				
		(3.3)	Use of One-off Recurring Budget		0.0	0.0	0.0	0.0	0.0	0.0	(3.3)	3.3	(16.5)	16.5	Removal of one-off recurring budget				
6.7	2.7	(2.0)	Appropriations to/(from) Reserves		(3.1)	(2.6)	(2.4)	(1.4)	0.0	(9.5)	(0.6)	(2.5)	(0.8)	(8.7)	Includes £3.1m from reserves for one-off costs				
317.6	335.1	355.9	Net Budget Requirement - before savings		381.3	383.4	390.9	398.8	405.2	1,959.6	368.9	12.4	1,874.9	84.7	Impact of all changes in each year's carry forward				
(2.9)	(4.8)	(3.7)	Savings & Efficiencies Cashable - Recurring		(7.8)	(3.0)	(3.0)	(3.0)	(3.0)	(19.8)	(3.0)	(4.8)	(16.6)	(3.2)	2023/24 Savings at identified level				
314.7	330.3	352.2	Net Budget Requirement - after savings		373.5	380.4	387.9	395.8	402.2	1,939.8	365.9	7.6	1,858.3	81.5	Impact of all changes in each year's carry forward				
(314.7)	(330.3)	(330.3)	Opening Funding		(352.2)	(369.4)	(379.5)	(386.3)	(393.4)	(1,880.8)	(352.2)	0.0	(1,798.3)	(82.5)	Impact of all changes in each year's carry forward				
		(10.9)	Government Funding		(8.5)	(3.5)	0.0	0.0	0.0	(12.0)	(5.3)	(3.2)	(19.7)	7.7	Estimated HO Grant Sept pay award (2.3%/£140m)				
		(6.0)	Council Tax - Base		(8.9)	(9.2)	(6.6)	(6.8)	(7.1)	(38.6)	(8.9)	0.0	(34.1)	(4.5)					
		(2.7)	Council Tax - Taxbase change		(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.7)	(0.2)	0.0	(3.2)	2.5					
		(0.2)	Council Tax - Precept increase		(0.1)	2.8	(0.1)	(0.2)	(0.2)	2.2	3.0	(3.1)	2.3	(0.1)	Precept from 2.5% to £9.99 increase (4.57%)				
		(2.1)	Collection Fund		0.5	0.0	0.0	0.0	0.0	0.5	0.5	0.0	(1.6)	2.1					
(314.7)	(330.3)	(352.2)	Total Funding		(369.4)	(379.5)	(386.3)	(393.4)	(400.8)	(1,929.4)	(363.1)	(6.3)	(1,854.6)	(74.8)	Impact of all changes in each year's carry forward				
0.0	0.0	0.0	Adjusted Annual (Shortfall)/Surplus		(4.1)	(0.9)	(1.6)	(2.4)	(1.4)	(10.4)	(2.8)	(1.3)	(3.7)	(6.7)					

Figure 5 Essex Police detail of the September 2022 MTFS on the General Reserve

Reserves					
	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Earmarked Revenue Reserves	17.5	16.6	16.3	16.0	15.8
General Reserve	12.4	9.3	6.7	4.3	2.9
Total - Revenue Reserves	29.9	25.9	23.0	20.3	18.7
General Reserves % of net revenue expenditure	3.50%	2.50%	1.80%	1.10%	0.70%

4.6. Sensitivities relating to assumptions have also been considered. The possible impact of changes to inflation and pay award assumptions are reflected in figure 6 below:

Figure 6 Essex Police inflation and pay award assumptions sensitivities

Inflation and Pay Award Assumption Sensitivities	2023/24	2024/25
	£m	£m
Inflation		
The impact of fuel costs increasing by a further 20% in 2023/24	(0.4)	(0.4)
The impact of Gas and Electricity costs increasing by a further 20% in October 2022 on contract renewal	(0.8)	(0.8)
Pay Award		
The impact of the Officer and Staff Pay Award being 5% in September 2023 and unfunded	(4.1)	(6.3)

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5. Essex Fire and Rescue Services - Medium Term Financial Strategy (MTFS)

5.1. The Essex Fire and Rescue Service's MTFS that was presented to the Police, Fire and Crime Panel in February 2022 showed the following position as laid out in figure 7 below:

Figure 7 Essex Fire and Rescue Services MTFS at February 2022

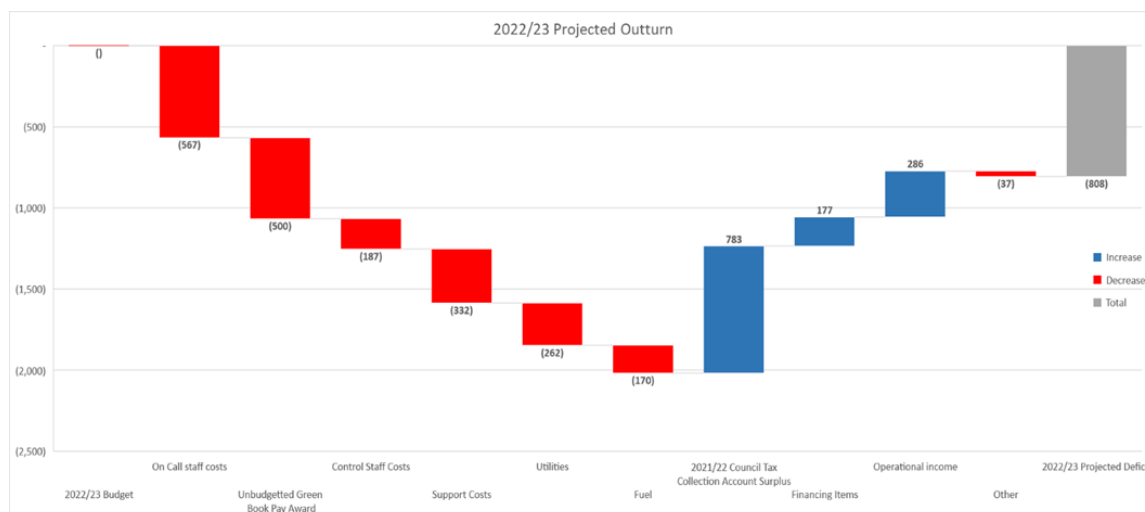
Actuals		Medium Term Financial Strategy 2021/22-2024/25				
2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
		80.9	84.0	84.1	87.1	336.1
		(0.6)	(1.8)	0.0	0.0	(2.4)
				(1.0)	(2.3)	(3.3)
		(0.6)	(1.8)	(1.0)	(2.3)	(5.7)
78.0	80.9	80.3	82.2	83.1	84.8	330.4
0.0	0.1	2.7	1.9	0.4	0.0	5.0
(77.9)	(81.7)	(80.1)	(82.2)	(83.1)	(84.8)	(330.2)
0.1	(0.7)	2.9	1.9	0.4	0.0	5.2
0.0	(0.1)	(2.7)	(1.9)	(0.4)	0.0	(5.0)
0.1	0.8	(0.2)	(0.0)	(0.0)	0.0	(0.2)

5.2. In the fire sector, pay is determined through negotiations with the National Joint Council (NJC). In July 2022, an offer of £1,925 was made to green book staff, (support staff). This offer results in a 10.5% increase to those on Scale Point 1. Everyone on the NJC pay spine will receive a minimum 4.04% pay increase for 2022/23, with the overall impact on the service estimated as a 5.2% increase. This would result in an unbudgeted cost pressure of £0.5m in 2022/23. The pay offer is currently under consideration by the unions.

5.3. In June 2022, an offer of a 2% pay award was made to grey book staff (firefighters) for 2022/23, which was subsequently rejected in July 2022. At the time of writing there has not been any further pay award offer made to grey book staff. If there was to be a further offer made which exceeded 2%, this would create a further cost pressure for the Authority.

5.4. The current 2022/23 projected outturn is shown in the waterfall chart in figure 8 below:

Figure 8 Essex Fire and Rescue Services 2022/23 Projected Outturn



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5.5. The key financial movements are:

- a) (£0.56m) on call costs relating to additional activity training
- b) (£0.5m) unbudgeted Green Book Pay Award (based on the latest pay offer)
- c) (£0.43m) unbudgeted utilities and fuel costs
- d) £0.78m unbudgeted Council Tax Collection Account surplus from 2021/22

5.6. If a pay award was made to grey book staff in excess of 2%, this would create a further financial pressure. A few scenarios are shown in figure 9 below, along with the financial impacts:

Figure 9 Essex Fire and Rescue Services Impact of unbudgeted Grey Book Pay Award

	3% Pay Award (1% Additional)	4% Pay Award (2% Additional)	5% Pay Award (3% Additional)	Equivalent to Green Book Offer (£1,925)
Impact of Pay Award - £000's	(500)	(1,000)	(1,500)	(1,800)
Revised 2022/23 Projected Outturn - £000's	(1,308)	(1,808)	(2,308)	(2,608)

5.7. In setting the 2023/24 budget, various budget assumptions are being considered, which are reflected in figure 11 below:

Figure 10 Essex Fire and Rescue Services 2023/24 Potential Budget Assumptions

Additional Cost Pressures from 2022/23					
2022/23 Green Book Pay Award (Current Offer)	Unbudgeted impact in 2022/23 (Per latest forecast)				
2022/23 Grey Book Pay Award	-	-	-	-	-
2022/23 Utilities & Fuel	Unbudgeted impact in 2022/23 (Per latest forecast)				
Cost Pressures For 2023/24					
2023/24 Pay Award (Green and Grey Book)	1.00%	2.00%	3.00%	4.00%	5.00%
2023/24 Utilities	30.00%	40.00%	50.00%	60.00%	70.00%
2023/24 Fuel Costs	30.00%	40.00%	50.00%	60.00%	70.00%
2023/24 Other Non Pay Costs	1.00%	2.00%	3.00%	4.00%	5.00%
Funding					
Council TaxBase Growth % (Band D)	1.10%	1.10%	1.10%	1.10%	1.10%
Council TaxBase (Band D)	661,850	661,850	661,850	661,850	661,850
FireLink Grant	-20.00%	-20.00%	-20.00%	-20.00%	-20.00%

5.8. The financial impact / sensitivities of these assumptions are reflected in figure 11 below:

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Figure 11 Essex Fire and Rescue Services Financial Impacts / Sensitivities of Budget Assumptions

	£000's	£000's	£000's	£000's	£000's
Additional Cost Pressures from 2022/23	£000's	£000's	£000's	£000's	£000's
2022/23 Green Book Pay Award (Current Offer)	500	500	500	500	500
2022/23 Grey Book Pay Award (Based on Offer Made)	0	0	0	0	0
2022/23 Utilities & Fuel	432	432	432	432	432
2022/23 Cost Pressures	932	932	932	932	932
Additional Cost Pressures For 2023/24					
2023/24 Pay Award (Green and Grey Book)	617	1,234	1,851	2,468	3,085
2023/24 Utilities	249	332	415	498	581
2023/24 Fuel Costs	139	185	231	277	323
2023/24 Other Non Pay Costs	222	445	667	890	1,112
2023/24 Cost Pressures	1,227	2,196	3,165	4,133	5,102
Funding					
Council Tax Precept	981	981	981	981	981
Council Tax Base	553	553	553	553	553
FireLink Grant	(100)	(100)	(100)	(100)	(100)
2023/24 Additional Funding	1,435	1,435	1,435	1,435	1,435
Shortfall In Funding	725	1,693	2,662	3,631	4,599
Council Tax Precept (Band D) Required to Produce a Balanced Budget	£77.92	£79.39	£80.85	£82.32	£83.78
Council Tax Precept Increase from Current Year	£2.59	£4.06	£5.52	£6.99	£8.45
Council Tax Precept Increase % from Current Year	3.44%	5.39%	7.33%	9.27%	11.22%

5.9. The Essex Fire and Rescue Services MTFS presented to the PFCC / ECFRS Strategic Board in September 2022 showed the position as laid out in figure 12 below:

Figure 12 Essex Fire and Rescue Services MTFS September 2022

Actuals			Medium Term Financial Strategy 2022/23-2025/26					
2019/20 £m	2020/21 £m	2021/22** £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m	
		79.4	Budget before Savings & Efficiencies	85.3	88.1	90.3	92.6	356.3
		0.6	Identified Savings & Efficiencies	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
			Unidentified Savings & Efficiencies		(2.1)	(2.6)	(3.2)	(7.9)
		0.6	Total Savings & Efficiencies Planned	(2.2)	(4.5)	(5.0)	(5.6)	(17.3)
78.0	80.9	80.0	Core Budget after Savings & Efficiencies	83.1	83.6	85.3	87.0	339.0
0.0	0.1	1.7	Specific Costs funded by Earmarked Reserves	1.9	0.4	0.0	0.0	2.3
(77.9)	(81.7)	(80.5)	Core Funding	(82.2)	(83.6)	(85.3)	(87.0)	(338.1)
0.1	(0.7)	1.2	Total Annual Shortfall/(Surplus)	2.8	0.4	0.0	0.0	3.2
0.0	(0.1)	(1.7)	Annual (Shortfall)/Surplus - Funded From Earmarked Reserves	(1.9)	(0.4)	0.0	0.0	(2.3)
0.1	0.8	0.5	Annual (Shortfall)/Surplus - Funded From General Fund	(0.9)	0.0	0.0	0.0	(0.9)

5.10. Alternative MTFS scenarios were also considered at the Strategic Board. The assumptions for 2023/24 for these scenarios are shown in figure 13 below. In each of the scenarios both pay, and non-pay inflation are assumed to be 2% from 2024/25.

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Figure 13 Essex Fire and Rescue Services MTFS Scenarios

	Scenario 1 £000's		Scenario 2 £000's	
2022/23 Green Book Pay Award		500		500
2022/23 Grey Book Pay Award (Based on Green Book Award)		1800		1800
2022/23 Utilities & Fuel		432		432
2022/23 Cost Pressures		2,732		2,732
2023/24 Pay Award (Green and Grey Book)	4.50%	2,700	10.00%	6,000
2023/24 Utilities	40.00%	332	40.00%	332
2023/24 Fuel Costs	40.00%	185	40.00%	185
2023/24 Other Non Pay Costs	4.50%	1,013	10.00%	2,250
2023/24 Cost Pressures		4,229		8,767
Funding				
Council Tax Precept Growth	1.99%	981	1.99%	981
Council Tax Base Growth % (Band D)	1.10%	553	1.10%	553
FireLink Grant	-20.00%	-100	-20.00%	-100
2023/24 Additional Funding		1,435		1,435
Shortfall In Funding		5,526		10,064

5.11. The MTFS scenarios are shown in figures 14 and 15 below:

Figure 14 Essex Fire and Rescue Services MTFS Scenario 1

Actuals			Medium Term Financial Strategy 2022/23-2025/26					
2019/20 £m	2020/21 £m	2021/22** £m		2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	T Total £m
		79.4	Budget before Savings & Efficiencies	87.1	92.1	94.4	96.8	370.4
		0.6	Identified Savings & Efficiencies	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
			Unidentified Savings & Efficiencies					0.0
		0.6	Total Savings & Efficiencies Planned	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
78.0	80.9	80.0	Core Budget after Savings & Efficiencies	84.9	89.7	92.0	94.4	361.0
0.0	0.1	1.7	Specific Costs funded by Earmarked Reserves	1.9	0.4	0.0	0.0	2.3
(77.9)	(81.7)	(80.5)	Core Funding	(82.2)	(83.6)	(85.3)	(87.0)	(338.1)
0.1	(0.7)	1.2	Total Annual Shortfall/(Surplus)	4.6	6.5	6.7	7.4	25.2
0.0	(0.1)	(1.7)	Annual (Shortfall)/Surplus - Funded From Earmarked Reserves	(1.9)	(0.4)	0.0	0.0	(2.3)
0.1	0.8	0.5	Annual (Shortfall)/Surplus - Funded From General Fund	(2.7)	(6.1)	(6.7)	(7.4)	(22.9)

Figure 15 Essex Fire and Rescue Services MTFS Scenario 2

Actuals			Medium Term Financial Strategy 2022/23-2025/26					
2019/20 £m	2020/21 £m	2021/22** £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m	
		79.4	Budget before Savings & Efficiencies	87.1	96.6	99.0	101.5	384.2
		0.6	Identified Savings & Efficiencies	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
			Unidentified Savings & Efficiencies					0.0
		0.6	Total Savings & Efficiencies Planned	(2.2)	(2.4)	(2.4)	(2.4)	(9.4)
78.0	80.9	80.0	Core Budget after Savings & Efficiencies	84.9	94.2	96.6	99.1	374.8
0.0	0.1	1.7	Specific Costs funded by Earmarked Reserves	1.9	0.4	0.0	0.0	2.3
(77.9)	(81.7)	(80.5)	Core Funding	(82.2)	(83.6)	(85.3)	(87.0)	(338.1)
0.1	(0.7)	1.2	Total Annual Shortfall/(Surplus)	4.6	11.0	11.3	12.1	39.0
0.0	(0.1)	(1.7)	Annual (Shortfall)/Surplus - Funded From Earmarked Reserves	(1.9)	(0.4)	0.0	0.0	(2.3)
0.1	0.8	0.5	Annual (Shortfall)/Surplus - Funded From General Fund	(2.7)	(10.6)	(11.3)	(12.1)	(36.7)

2023/24 Budget - Baseline Challenge

6. Next steps

- 6.1. Further iterations of the MTFS and the 2023/34 budget for both Essex Police and Essex Fire and Rescue Services will continue to be developed as savings plans are agreed and further information on the assumptions within the MTFS become clearer. The PFCC will also continue to work with the Panel Budget Setting Working Group, which has proven to be extremely beneficial in previous years.
- 6.2. An update on the budgets for 2023/24 and the MTFS for Essex Police and Essex Fire and Rescue Services will be shared with the Panel in December.