

Dear Deputy Mayor

Thank you for your letter of 7<sup>th</sup> January 2026, titled “*Delivering Value for Money in All That We Do*”, following the close of the public consultation on the fire and rescue precept options. I welcome the clear principles you have set out and confirm that NYFRS shares the commitment to value for money, which resides across our core strategies and service/public documents including:

- “*The Service should develop an investment plan to meet new financial and operational challenges with value for money being a key priority*” – Fire & Rescue Plan (FRP)
- “*Investment needs to be carefully considered to ensure maximum impact and value for money, whilst still seeking opportunities for efficiencies when possible*” – Community Risk Management Plan (CRMP)
- “*Financial sustainability*”. NYFRS Plan on a page - core focus

This is amidst a challenging environment where Fire and Rescue Services (FRSs) face mounting funding pressures due to:

- Our expanding role in community protection
- Rising extreme weather incidents
- Inflation and pay rises
- Emerging technology and cyber risks
- An aging estate that falls short of modern standards
- Increased civil defence responsibilities alongside existing commitments

I've sought to address each of your questions directly. Please note, I have provided short reference information without financial qualification within the time limit for a response. If you require further detail on any area, I can expand the information provided as required.

**Q 1. Could you provide an assessment of the impact last year's fire and rescue precept increase had on sustaining or improving service delivery for the people of York and North Yorkshire?**

Beyond our statutory duties, public and Government expectations of FRSs have expanded into areas without a statutory basis but still requiring investment, such as water rescues, support for other emergency services, particularly the ambulance service and road and water safety initiatives.

The 2025/26 uplift enabled NYFRS to stabilise core operational capability, sustain prevention/protection outputs and continue safety critical investments already approved, while improving resilience against in year shocks. This is consistent with the Mayor's Medium Term Financial Plan (MTFP) to address historic under investment and support estates, equipment, safety and training. The uplift replaced a “*save to survive*” posture with “*save & invest to continue to improve*” giving NYFRS the headroom to protect frontline delivery, absorb inflationary shocks and programme capital works without severe deferrals.

The Service is more financially secure than it has been for over 10 years which was the core driver of the precept increase. The outcome being:

- We remain financially solvent and continue to deliver our statutory duties, keeping the public of York and North Yorkshire safe
- We have a financial reserve working towards the recommended level (suitable to provide resilience for unexpected operational and organisational expenditure, linked to major incidents and national pay and pensions decisions outside the control of the Service) and a change pipeline to fund improvement
- Scope for further investment in our estates, fleet, technology and firefighter safety
- Created a small investment potential through the establishment of a change pipeline funding pot. This was in the context and removal of the rural and service grant and rising costs (such as national insurance and inflationary increases) that would have otherwise left the Service in severe financial jeopardy
- Enabled the Service to afford nationally driven pay increases, including On-call pay band changes and a higher than anticipated Green Book pay rise

From a performance perspective we have delivered the following non-exhaustive elements:

- Met the consulted response standards in 2024/25 (first appliance to dwelling fires on average within 11 minutes; all incidents on average within 13 minutes), reaching 10:34 and 11:49 respectively
- Home Office data showed NYFRS had the largest reduction in primary fire response times in England 23/24 which has been maintained
- Maintained crewing and appliance availability within planned parameters across wholetime and On-call stations
- Improved Protection productivity: regulatory activity +2%, consultations +18%, guidance/advice +800% and engagement after unwanted fire signals +84%; timeliness remained at 99–100% for licensing/building consultations
- Prevention outputs grew: HFSVs +18% to 4,464, with High/Very-High risk HFSVs +544% due to targeted referrals (Mosaic/UPRN/safelincs)
- Post-incident HFSVs rose 37% as the new policy embedded
- Progressed recruitment and development activities to maintain our establishment, reducing pressure on overtime and temporary measures
- Continued pre-existing investment programmes (e.g., firefighter PPE refresh cycles, breathing apparatus replacement, training improvements, estates compliance works) without deferral.

**Q2. The consultation asked the public for their views on a precept increase of £6, £8, £10 and £12. As you know there is flexibility around the Mayoral Precept in York and North Yorkshire. Could you indicate what difference (opportunities and risks) increases of £6, £8 and £10 would make respectively to the service in light of both the Community Risk Management Plan and the Fire and Rescue Plan?**

A deeper financial appraisal is needed from the Assistant Section 73 Officer, to fully detail the financial impacts of each precept option however, as an opinion based response, it is without question that the 2025/26 uplift had a hugely positive impact on both the Service and

therefore, the public, as it stabilised our finances, preserved frontline performance and enabled safety investments.

I wholly appreciate it is always difficult to ask the public to pay more, but precept flexibility at £10 - £12 would reduce deferral of project investments, maintain modernisation and de-risk inflation/pay rises for the Authority, with clear delivery commitments and transparent reporting.

An increase of £6 - £9, in the context of the reductions projected for NYFRS from the national funding formula review, generates significant risk to our ability to deliver both statutory duties and the investment/improvements outlined in the CRMP, as the key vehicle for the delivery of the Mayors FRP.

It is significant to note our MTFP was based on the following assumptions, enabling delivery of the FRP and CRMP:

- Pay Awards: Firefighter Pay Increases of 4% in 2025/26, with staff increases of 2.5%
- Precept: Increases of £24 in 2025/26 £6 per annum in 2026/27 and 2027/28 and then £3.30 in 2028/29
- Tax Base increases 1.3% in 2026/27 with increases of 1.0% thereafter
- Government Grants: CPI increases of 2% per year
- **Nil impact from any Funding Reform**
- Nil impact from Business Rates Reset
- Inflation: 2% for most non-pay areas from 26/27 onwards
- Any pensions changes are fully funded by the Government (this has yet to be confirmed representing a further risk)

Should the agreed MTFP not balance at the £6 – £9 precept level, the following measures may need to be implemented and explored over the next 3 financial years:

- No further funding could be allocated to the change pipeline, required to deliver CRMP projects. These projects include review and refresh of key IT systems including workforce planning, financial management and control mobilising systems, as well as reviews of response and crewing arrangements to ensure the Service has sustainable emergency response provision
- Revenue contributions to capital would decrease, requiring increased future borrowing (with associated interest costs) for capital projects. Key capital projects include estates projects in Malton, Northallerton and Scarborough, as well as wider activity to improve compliance with contaminants requirements. This also includes the rolling refresh of our vehicle fleet, to ensure we have the capabilities we need to deliver an effective service to communities
- Previously agreed RRM changes would need to be delivered in full, without further impact assessment based on the changes in the Service environment, including changes to the crewing in Scarborough and Operational Staffing Reserve
- Budget planning assumptions to fund national pay increases will need to reduce, generating a potential further budget gap across the MTFP if these lower assumptions are proven to be incorrect
- Deferral pressure on non-critical estates works and discretionary enhancements (e.g., training facilities upgrades beyond safety critical)

- Reduced flexibility to absorb unplanned shocks (major repairs, spate conditions, or supply chain cost spikes)

#### Opportunities

- Seek to maintain statutory compliance and current response standards, sustaining recent performance improvements – albeit it with a potentially different delivery model
- Fund core CRMP delivery across prevention, protection and response, understanding current levels of Home Fire Safety Visits, risk-based inspection programmes and on-call availability may be impacted
- Limit immediate council tax impact during continued cost of living pressures, supporting public acceptability
- Avoid short term service contraction, preventing urgent reductions in staffing, training or appliance availability as longer term service delivery options are reviewed and implemented

#### Risks

- Insufficient headroom for inflation volatility, particularly future pay awards, employer National Insurance or contract indexation, increasing reliance on reserves
- High likelihood of capital deferral, especially estates remediation and non-safety critical fleet replacement, storing up future cost and condition risk
- Reduced ability to respond to emerging risks, including wildfire, flooding and new built environment hazards (EVs, BESS sites).
- Disproportionate impact on NYFRS, given higher reliance on council tax than many services; below inflation growth risks structural imbalance

Should options of £10 - £12 be implemented, I envisage:

#### Opportunities

- Creates meaningful capacity to absorb recurring cost pressures, significantly lowering the probability of unscheduled savings or reserve depletion
- Materially insulates NYFRS from national funding volatility and future pay/pension pressures
- Fleet and estates modernisation, reducing whole-life costs and improving firefighter safety and service reliability
- Better resilience to emerging and climate related risks, including flooding and wildfires, through equipment, training and specialist capability investment
- Supports workforce sustainability, including training compliance, wellbeing provision and retention, particularly within the On-call duty system
- Strong alignment with HMICFRS expectations around future affordability, prevention investment and best use of resources.

#### Risks

- As above and higher council tax impact requires robust narrative, transparency and demonstrable public benefit, with financial community impact

**Q3. Guidance from Government is that all other fire and rescue services will increase their precept by just £5 (with a pledge for those authorities that they will also receive real terms funding increases) – what impact would a £5 precept have on the service this year in York and North Yorkshire?**

I recognise the national context and the intention to provide real terms funding increases for FRAs following the £5 pathway, notwithstanding many services are still receiving real terms cuts. However, NYFRS once again finds itself in a unique position in the sector as Mayoral authorities have total flexibility with no limit, county council FRAs have no flexibility, and standalone FRAs are capped by the referendum limit.

Our Mayoral counterpart with responsibility for fire has seen a proposed increase in their core funding and North Yorkshire faces a decrease. This can be potentially offset by the opportunity to use Mayoral precept flexibility, maintaining our opportunity to '*continue to modernise and improve*', opposed to '*saving to survive*'. NYFRS will not receive a real terms funding increase in central government funding, based on the current funding formula:

- The current qualified financial forecast to balance the MTFP requires an uplift of a minimum of £9. This is an additional £3 over the £6 forecast in the MTFP, just to stand-still
- Therefore, a £5 increase would not be viable, requiring a further £325k of savings (each £1 increase/decrease equals £325k) to be identified on top of those already needed to balance at a £6 increase. This would plausibly require changes to operational response and would prevent the Service from delivering the FRP and CRMP as consulted and within the expected timeframe
- Consideration of possible reductions in support service roles may be required
- NYFRS is more reliant on council tax than most services (around 70% of net budget from precept vs a national average ~60%), so below inflation precept changes, disproportionately harm service sustainability

**Q4. Given we now have a three-year funding settlement, how does this impact on assumptions for service delivery for that period and notably the delivery of the Community Risk Management Plan and the priorities in the Fire and Rescue plan?**

The multiyear settlement allows us to lock a three-year delivery schedule for the MTFP against a backdrop of:

- Recurring cost pressures of higher than budgeted pay awards and pension contribution rates. These pressures required in year reserve draws to balance 2024/25 and will continue into 2025/26 without additional recurring funding
- Central government funding is projected to fall sharply across the settlement, with reductions versus current MTFP assumptions
- Operational demand and statutory commitments remain high, with incident levels rising and CRMP commitments (e.g., response standards, risk audits) requiring stable investment to sustain recent performance gains

HMICFRS were clear that the Service was more affordable '*now and in the future*', whilst being '*Good*' at making best use of resources. We will continue to use these judgments to shape our service delivery, noting the 3-year funding settlement projects a significant

decrease in central government funding over the 3-year period, to the current MTFP assumptions:

- 2026/27 - £1.3m
- 2027/28 - £2.8m
- 2028/29 - £4.3m

The CRMP was designed assuming the maintenance of the current level of central government funding, therefore enabling any further precept increases to support investment aligned to the CRMP. Ultimately, options for higher precept progressively reduce risk, the need for deferral and retain our ability to deliver the CRMP and FRP, within the agreed timeframes, reliably and transparently.

**Q5. Can you confirm how you will ensure that the principle of achieving best value for taxpayers is embedded within your decision-making processes? What assurances can you give the Mayor and I that this approach will continue to underpin your revenue and capital budget recommendations as part of the decision making processes at Strategic Oversight Board (SOB)**

Our published Productivity and Efficiency Papers demonstrate we are consistently overachieving against the NFCC/LGA targets of 2% non-pay efficiencies and 3% productivity and therefore, the leadership principles of SLT explicitly embed value for money as a culture and delivery methodology. We deliver this through:

- Business planning cycle in place to inform budget setting. This informs budget setting and aligns financial decisions with strategic priorities. It ensures that revenue and capital budgets are developed using robust forecasting and affordability checks
- All investment proposals require detailed business cases assessed against critical success factors (strategic fit, affordability, benefits delivery and feasibility). These business cases go through governance scrutiny at multiple levels (Change Board, Strategic Leadership Board and SOB where necessary)
- Publication of the Reserves Strategy
- Monitoring and reporting of productivity and efficiency gains, including the production and delivery of a Productivity and Efficiency Plan
- Annual assurance statements provide transparency and accountability by confirming adherence to governance standards and value-for-money principles
- Robust Procurement process and support from procurement team for departments is in place to help ensure value for money when seeking suppliers
- Training and information for all Middle and Strategic leaders
- A/S73 Officer oversees all SLT financial decisions and co-approves all SLB decisions. This has further scrutiny via your SOB.

Our range of strategic documents including the Annual Assurance Statement, Productivity and Efficiency statements, statutory accounts publications, Online Public Meetings and your Assurance Framework already provide a very strong foundation for transparency. As per your request, this may be enhanced with further publication of documents pre/post decision and webcasting with full minutes e.g. SOB.

I want to assure you that I and all NYFRS staff are committed to providing value for money in all we do. I also recognise the pressures you and David are shouldering, given our unique position in the sector. Each precept option is deliverable, but they carry different implications for the pace of change, our resilience and our risk profile. Whichever option you choose, we will continue to deliver our core services, though potentially, through different models.

The decision to provide a precept level that maintains the MTFP, will directly shape how quickly we can improve the level of financial risk the Fire Authority carries and the public's confidence in our ability to deliver the FRP and CRMP, in an increasingly uncertain funding environment.

Thank you for your continued support and scrutiny to deliver improved public outcomes.

Yours Sincerely

A handwritten signature in black ink, appearing to read "J. Dyson".

Jonathan Dyson  
Chief Fire Officer