



MERSEYSIDE  
FIRE & RESCUE  
SERVICE

# PRODUCTIVITY AND EFFICIENCY PLAN

## APRIL 2026 - MARCH 2027

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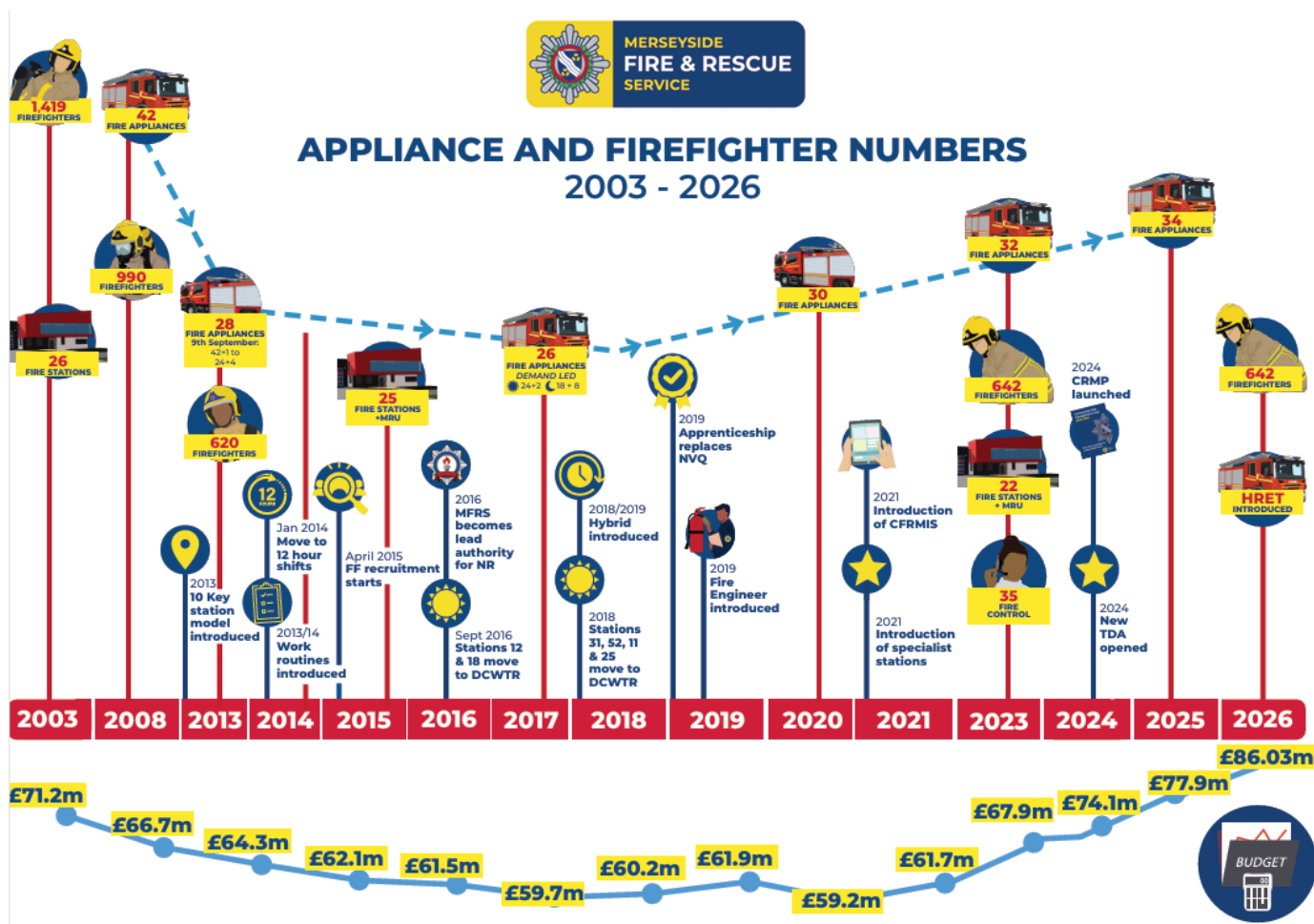
# PRODUCTIVITY

Around 1000 people are employed by Merseyside Fire and Rescue Authority and approximately 645 based at our 22 Community Fire Stations, including a Marine Rescue station. Merseyside Fire and Rescue Authority (MFRA) provides the highest level of response to fires and other emergencies, as well as offering a range of services to reduce and respond to risk in our communities. We are a positive and bold organisation that is always looking to improve and provide the very best services possible to the public we serve.

## MFRA's Community Fire Stations

MFRA's 22 fire stations (21 Fire Stations and the Marine Rescue Unit) are strategically placed across Merseyside and the stations are staffed using a variety of shift patterns (working arrangements) to make sure we can provide an efficient and effective response to any incident.

## MFRA's Investment in Front Line Services



## MFRA's Duty Systems

The shift patterns range from Wholetime, LLAR (Low Level Activity and Risk), Day Crewing Whole Time Retained (DCWTR), Hybrid and Hybrid Light.

**WHOLETIME** - crewed 24 hours a day, 7 days a week.

**LLAR** – firefighters are available 1000 - 2200hrs on station, then available from accommodation on or near the station during the night.

**DCWTR** – firefighters are available 12 hrs a day on station then on a 30-minute recall to duty to provide resilience on stations during busy periods.

**HYBRID** – during the day 2 fire engines are available on station with a 3rd available on a 30-minute recall to duty (retained element) and at night 1 fire engine will be available on station with 2 available on a 30-minute recall (retained element) for resilience.

**HYBRID LITE** – one fire engine available on station with a second available on a 30-minute recall.

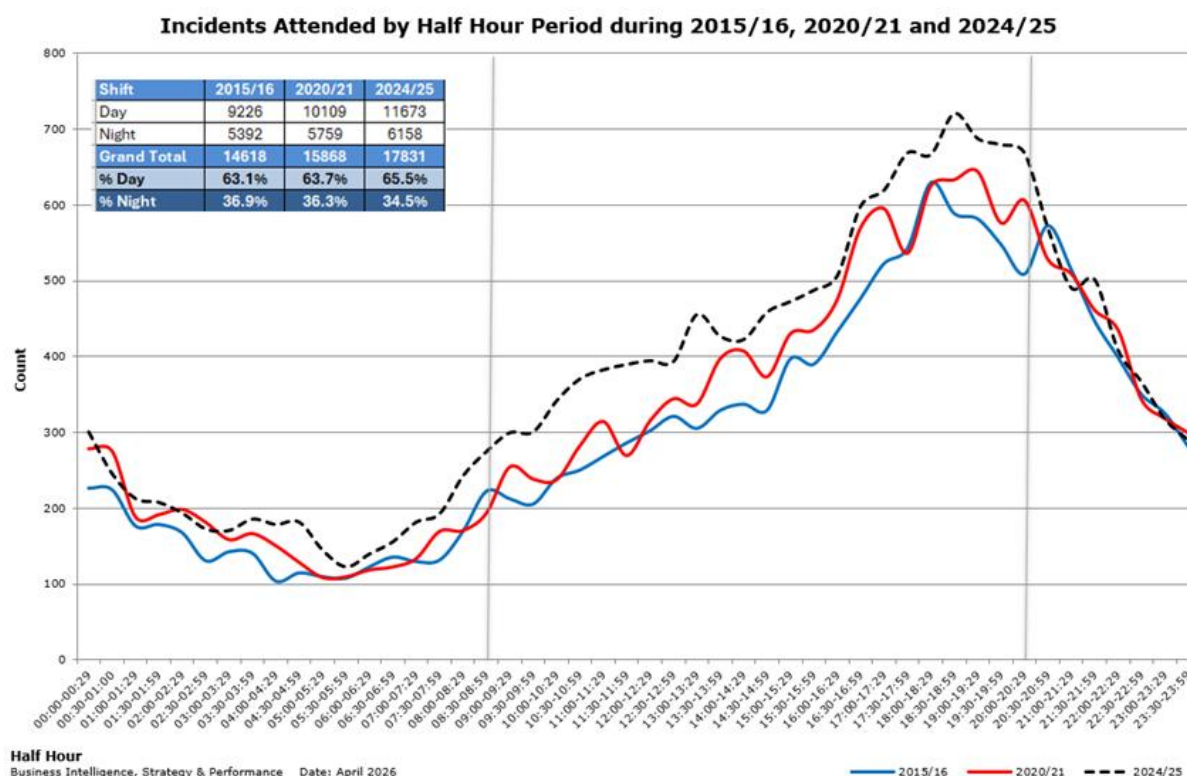
Our range of duty shift systems allows a flexible working approach for our operational staff and allows the Fire and Rescue Authority to have more resources to call upon when needed, at busy times, or when we are dealing with a major incident.

*“The services fire engines and response staff, as well as its working patterns, are designed and located to help it respond flexibly to fires and other emergencies with the appropriate resources. For example, the service’s risk-based station placement model makes sure that fire engines are strategically located near high-risk areas, such as densely populated districts and industrial locations. And flexible crewing arrangements allow the service to maintain cover during peak demand periods. This is demonstrated by the service’s ability to deploy additional appliances during major incidents without compromising response times elsewhere.”* **HMICFRS 2025-27 Effectiveness, efficiency and people report**

## MFRA's Demand

The flexibility of our duty systems ensures that appliances are available where and when they are needed most. When we are not responding to incidents, a structured work routine focused on prevention, protection and preparedness ensures that firefighter time is used in the most productive way possible.

The graph overleaf illustrates our operational demand curve, showing how our response activity has been distributed over the last ten years.



As a result of this analysis MFRA moved from the traditional 9 hour day and 15 hour night shift model to a 12 hour day and night model in 2014. This has increased daytime productive hours making MFRA duty systems demand led to drive productivity and efficiency.

Merseyside Fire and Rescue Service measures a range of Prevention, Protection and Preparedness activities delivered by wholetime firefighters. These include the completion of Home Fire Safety Checks (HFSCs), with a specific focus on visits to households where occupants are aged over 65 to target the most vulnerable.

Firefighters also undertake Provision of Operational Risk Information System (PORIS) assessments, which categorise premises risk from Level 1 (low risk) to Level 5 (high risk e.g. Top tier COMAH sites), and Site-Specific Risk Information (SSRI) for higher risk sites (PORIS assessment score 3,4 or 5). In addition, stations are measured against Simple Operational Fire Safety Assessments (SOFSA) and a wide range of key response performance indicators for operational incidents.

The Service records and reports the number of activities completed by wholetime firefighters for each year of the Spending Review period from 2022/23 to 2025/26. Actual performance is monitored against the agreed annual targets for HFSCs, over-65 visits, PORIS/SSRI activity and SOFSA assessments. Annual outturn data is held for each of the four years and demonstrates how delivery has tracked against planned levels of activity. This information is used to evidence productivity, demand management and continuous improvement over the period.

All activity data is recorded through established service systems such as CFRMIS and PIPs and national fire sector recording tools, ensuring consistency and auditability. The data is analysed to monitor performance, identify trends and ensure that resources are aligned with risk and demand. Performance against targets is reviewed daily by station management

teams, monthly by Service managers and quarterly by the Fire and Rescue Authority. This structured approach provides assurance that delivery is on track and corrective action is taken where required.

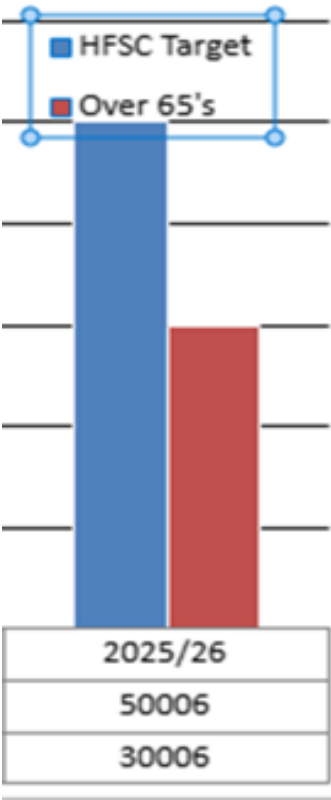
In addition to recording volumes of activity, the Service assesses outcomes and quality where appropriate. For HFSCs, the proportion of visits delivered to over-65s is monitored to demonstrate effective targeting of vulnerable groups. Operational risk information gathered through PORIS and SSRI is reviewed for completeness and accuracy to support firefighter safety and operational effectiveness. Quality assurance processes are embedded within management reviews to ensure activities deliver meaningful risk reduction.

Annual targets are set for all areas as part of the Service’s performance and productivity framework.

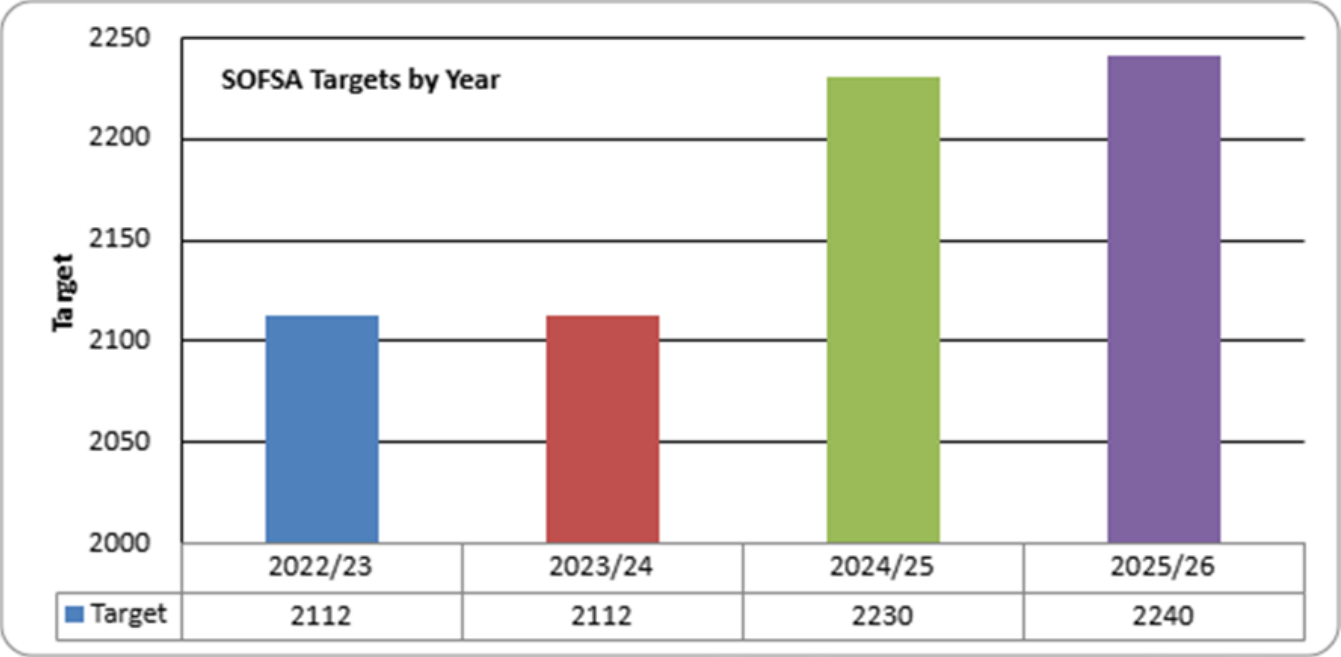
During the spending review period, Merseyside Fire and Rescue Service (MFRS) set an overall target of delivering 150,000 Home Fire Safety Checks (HFSCs) across the lifetime of the previous Integrated Risk Management Plan (IRMP) 2021–2024. Annual station-level targets ranged from 46,038 in 2022/23 to 50,733 in 2024/25, with 60% of activity focused on the most vulnerable members of our communities. In addition, MFRS committed to completing 30,000 Safe and Well visits over the same IRMP period.

In line with the current Community Risk Management Plan (CRMP), revised targets for HFSCs have been set at 50,006 overall, including 30,006 visits specifically aimed at residents aged over 65 and individuals identified as most vulnerable due to socio-economic deprivation across Merseyside.

MFRS committed to sustaining its high-quality prevention activity while strategically enhancing productivity across priority delivery areas. This included strengthening workforce capability through training and increasing the completion of SOFSA visits to support a more robust and proactive approach to business fire safety.



SOFSA targets over the spending review timeframe were:



Following the introduction of the Provision of Operational Risk Information System (PORIS) in 2023, all site-specific risks across Merseyside were assessed using the PORIS methodology for the duration of the spending review period. During this timeframe, Merseyside Fire and Rescue Service (MFRS) completed a total of 4,688 site-specific risk visits.

The Service plans to increase activity levels as part of its ongoing productivity growth programme, with a particular focus on risk information gathering and prevention activity. In 2026/27, PORIS and SSRI activity will increase by 8.8% above the previous year’s performance, reflecting the growing number, complexity and risk profile of premises across Merseyside. This will include a higher volume of full PORIS assessments and enhanced SSRI data capture for sites graded at PORIS levels 3, 4 and 5, ensuring that crews have accurate, up-to-date information available at incidents.

Productivity gains will be delivered through more efficient duty systems, improved use of mobile technology, and better integration of risk data across operational systems, allowing firefighters to complete high-quality assessments within existing resources. This targeted increase supports firefighter safety, strengthens operational preparedness, and ensures the Service can meet the demands of a busy and expanding metropolitan area while continuing to exceed national productivity expectations.

## **Asset Management and Investment in Technology**

### **Site Specific Risk Information in CFRMIS:**

In August 2025, the Service successfully migrated to a new platform for capturing site specific risk information. The conclusion of the wider project now means the Service records all risk information from Prevention, Protection and Operational Intelligence in the one system, providing Firefighters with the risk information they need at the right time when attending incidents. The investment in technology and the streamlining of processes allows firefighters to spend more time visiting high risk buildings and capturing risk information to improve Firefighter safety and make the communities of Merseyside safer.

### **HiSkills AI Fire Control Training:**

2025/26 has seen the introduction of a new AI based training platform for use by Fire Control operators to improve call handling exposure. The product is particularly useful for training staff for high risk low frequency calls, and provides a means to pre-program high call volumes to test Fire control staff in scenarios of protracted incidents. The early outcomes following the use of the new technology are improved call handling and operational response times. In 2025/26 the average call handling time to life risk incidents has reduced by 7 seconds compared to 2024/25 and by 10 seconds compared to 2023/24.

### **Enhanced Mobilisation:**

Another use of technology to help us respond more quickly to incidents is the implementation of Enhanced Mobilisation. The development and implementation have continued throughout 2025/26, and the Service will see the conclusion of the project in the early part of 2026/27. Enhanced mobilisation is a technical change that would alert a crew earlier and put them on standby to attend an incident. We will arrive at an incident quicker. Potentially up to one minute earlier than we do now.

### **AURA:**

AURA is an internally developed application that allows Fire Control to use live data to help make even better decisions about where we position our fire appliances. We have previously moved fire appliances around when those on our key stations are out at an incident. The Aura software helps us map exactly where all appliances are at all times. This will help cut down on the movement of fire appliances between fire stations, allowing them to respond to incidents and do more community work in their own station area. When comparing 2025/26 with 2023/24, the Service has seen standby moves reduce by 426.

MFRA exceeded the proposed productivity gains, achieving over 52,000 HFSC's, delivered by operational personnel, which has led to between 13% and 15% reduction in Accidental Dwelling Fires in what is recognised as one of the most deprived areas of England.

## **Collecting Information to Improve Firefighter Safety**

Understanding the risks in a firefighter's local area is key to firefighter and public safety. We increased productivity in this area significantly during 2023/24, through the new information management system which streamlined how we recorded data. We expected that the number of business premises visited by firefighters would increase by 1,679 this year.

Again, MFRA exceeded the proposed productivity gains, achieving over 1,023 Site Specific Risk Information (SSRi) and over 2,736 Provision of Risk Information System (PORIS) assessments.

## **Training and exercising our plans – to improve our response to emergencies**

Operational training and preparedness are essential to ensuring that the Service can respond safely, quickly and effectively to incidents that are complex, time-critical and inherently hazardous. Regular training maintains competence in core operational skills and incident command, enabling crews to make consistent, informed decisions under pressure and to apply safe systems of work in environments that may involve smoke, heat, structural instability, hazardous materials and other dynamic risks. Preparedness also ensures the Service can manage high risk, low frequency events such as large industrial fires, major transport incidents or severe weather impacts. Where capability must be immediately available despite limited real world exposure. In addition, exercising improves interoperability with partner agencies and strengthens understanding of site specific risks and access arrangements, supporting more coordinated and efficient incident management. Collectively, training and preparedness underpin firefighter safety, improve response performance, reduce the likelihood of escalation into protracted incidents, and provide assurance to the public and the Authority that operational standards are consistently maintained.

We plan to continue to utilise our new Training and Development Academy to:

- maintain and continually assess operational competence across all stations through core training, refresher cycles and scenario-based learning
- strengthen incident command capability by developing and assessing supervisory and middle-manager decision-making, risk assessment and communication under pressure
- increase preparedness for high-risk, low-frequency events through realistic exercises that reflect Merseyside's built environment, industrial profile and emerging risks
- improve firefighter safety by reinforcing safe systems of work, BA discipline, operational assurance, welfare and learning from debriefs and near-miss reporting
- support interoperability by delivering joint training and exercising with partner agencies and strengthen JESIP operating principles



We will continue to build on our off-station exercise programme by planning realistic, scenario-based training that reflects known local risks and strengthens operational readiness. This will include joint exercising with neighbouring Fire and Rescue Services to improve cross-border working, interoperability and shared operational procedures. Our off-station exercise performance in 2025/26 significantly exceeded the target of 42, with 76 exercises planned and completed by operational crews, demonstrating a strong increase in productivity and training output.

The training delivery model will be revised to reflect set days for core skills training. This will create greater clarity around which parts of the TDA site will be in use on a given date and for what purpose. It will inform resourcing requirements and afford opportunity for personnel to be released to undertake development across areas of focus from a risk, demand and vulnerability perspective and/or to support operational resourcing requirements.

Linked to this are the changes to be made to Super 6 and Technical Command Assessments (TCAs).

- TCAs will be scheduled across periodic quarterly schedules with an intent to minimise requests for ad hoc TCA requirements. The increased visibility for TCAs will create opportunities for better planning across multiple departments to release personnel for such assessments as well as create an opportunity to align with POD for elements such as promotion processes etc.
- Super 6 will now see the 6 risks spread across a 3-year programme as opposed to 2 so as to align with the CRMP coverage (3 yearly). We will still deliver 3 subjects over each of the 3 CRMP years, 2 of which will be from the 6 risks and the 3<sup>rd</sup> being an incident command themed session. This will reinforce incident command input across the service and enable areas not previously covered to be explored (for example functional roles and responsibilities).

The 2025/26 financial year has seen a high achievement in the delivery of core skills training, despite resourcing and availability impacts within the operational training function. The figures achieved are as follows:

| Subject     | Completion % 2yr<br>Frequency | Completion % 3yr<br>Frequency |
|-------------|-------------------------------|-------------------------------|
| <b>BA</b>   | 92                            | N/A                           |
| <b>CFBT</b> | 88                            | 99                            |
| <b>RTC</b>  | 94                            | 99                            |
| <b>SWAH</b> | 82                            | 96                            |
| <b>WAT</b>  | 81                            | 98                            |
| <b>HAZ</b>  | 98                            | 99                            |
| <b>FREC</b> | 96                            | 96                            |

## Workforce Capacity

The workforce capacity of wholetime firefighters is actively measured through a structured duty and work routine that allocates time across operational training, preparedness, prevention and protection activities, delivered over day and night shifts throughout the working week. Capacity is measured through a combination of annual and station-level target setting and the daily recording of activity by operational crews using a station log spreadsheet. Station managers monitor this data on a daily basis to ensure that available capacity is being used effectively, and that planned activity is delivered alongside operational response requirements.

Performance data is reviewed monthly at a Performance Management Group, with additional assurance provided by Service Delivery and the Strategy and Performance team, who assess performance against available time after accounting for operational incidents. This approach ensures a clear line of sight between firefighter availability, activity delivery and service outcomes.

For 2026/27, station output targets include:

| SSRI (Site Specific Risk Information) Level 3,4,5 | Home Fire Safety Checks | New HFSC off Status Report | Prevention Talks | SOFSA (Simple Operational Fire Safety Assessments) | Off Station Exercises | Community Events |
|---------------------------------------------------|-------------------------|----------------------------|------------------|----------------------------------------------------|-----------------------|------------------|
| 1369                                              | 50076                   | 30046                      | 264              | 2240                                               | 42                    | 273              |

## Increasing Productivity

### What we achieved in 2025/26:

In 2025/26, MFRS committed to a further 3% increase in productivity, which resulted in a planned SOFSA target of 2,240 assessments. Actual performance exceeded this commitment, with 2,433 SOFSA assessments completed during the year, representing an overall productivity increase of 8.6%.

This improvement was achieved by increasing efficiency through recording SOFSA and PORIS activity on the same CFRMIS database, enabling operational crews to complete both assessments during a single visit (previously separate visits undertaken per assessment). The Service deliberately targeted factories and warehouses, as this premises type was the initial focus for SOFSA activity and remains prevalent in some station areas where assessments had not previously been completed. These locations present an unknown level of risk to occupants, firefighters and the environment, making it essential to prioritise the completion of both SOFSA and PORIS assessments, particularly within the station areas identified as having the highest number of outstanding visits.

The pilot was designed to increase efficiency and productivity by enabling firefighters to take a more integrated and targeted approach to prevention and risk information activity. It built on existing positive working relationships with business owners, supporting engagement and access while reinforcing shared responsibility for risk management. A key objective was to enhance firefighter safety by capturing critical risk information on high-risk premises and

ensuring it was readily available to crews before an incident occurs. By improving understanding of the risks associated with factories and warehouses, the pilot aimed to reduce the likelihood and severity of operational incidents at these sites. This, in turn, supports a reduction in large-scale, protracted incidents, minimising the time and resources required at complex and high-risk premises.

In addition to improving efficiency through integrated PORIS and SOFSA visits, the Service also delivered productivity gains across other areas of firefighter activity. Prevention performance for Home Fire Safety Checks in 2025/26 exceeded expectations, with activity levels increasing by 0.7% above the planned target. This improvement directly contributed to a corresponding 0.7% increase in visits to those most vulnerable within our communities. Further productivity gains were achieved in operational performance, with the Service meeting its response standard for the first appliance arriving within 10 minutes on 96.9% of occasions, significantly exceeding the minimum target of 90%.

### **Our plans for 2026/27:**

In this financial year, we aim to ensure our firefighters are safe, effective and able to provide the best possible response for the communities of Merseyside. To support this, we are investing in new control room technology, including AURA, which will provide real-time visibility of where all appliances are located at any given moment.

At present, fire engines are moved between stations when key appliances are committed at incidents; AURA will reduce the need for this by improving deployment decisions, enabling crews to spend more time responding from their own station areas and undertaking community prevention, protection and preparedness activity locally.

We are also introducing Enhanced Mobilisation to further improve response performance by alerting crews earlier and placing them on standby, with the potential to reduce attendance times by up to one minute.

Over the past decade, the metropolitan county of Merseyside has seen steady growth in both population and the built environment, increasing demand on emergency response and risk management. Merseyside is estimated at around 1.48 million residents, reinforcing pressure for additional housing and supporting infrastructure.

In parallel and recognising the increasing demands associated with a growing and changing metropolitan area, we will strengthen our assessment of the main risks to firefighters and the public by using PORIS assessments and the capture of Site Specific Risk Information (SSRI), taking account of historical operational data, premises profiles and wider impacts including societal, environmental, community, heritage and economic risk. As part of this, we plan to increase productivity by completing 1,369 PORIS 3, 4 and 5 (SSRI) visits in 2026/27, representing an 8.8% increase on 2025/26 performance.

These assessments also support effective risk management by establishing appropriate review periods based on the level of risk identified, while allowing earlier reassessment where triggers arise, such as incidents at similar premises elsewhere, changes in site use or building alterations, or changes to Fire and Rescue Service methods of working or equipment.

In preparation for our next Community Risk Management Plan (CRMP), we are also undertaking an emergency cover review to ensure the service we provide to the communities of Merseyside remains fit for purpose. An Emergency Cover Review is a structured, evidence-based assessment of whether the Service's people, stations, appliances, duty systems and mobilisation arrangements are aligned to the current and emerging risk profile across Merseyside, and whether we can continue to meet our statutory duties and local expectations within available resources. It brings together operational incident demand, community risk and vulnerability data, premises information (including high-risk sites), and travel time modelling to test whether our existing arrangements provide the right cover at the right times and in the right places. The review considers both day-to-day performance and resilience under pressure, including periods of high incident activity, simultaneous incidents, and wider disruption. It is designed to provide a clear line of sight from risk and demand through to operational response capability, and to set out transparent options for improvement where gaps or inefficiencies are identified.

## **Our Planning Principles**

We have a set of Planning Principles (below), agreed with the public during our Community Risk Management Planning engagement meetings. While developing this Efficiency and Productivity Plan, we have considered these principles again to ensure our proposals accord with the public, given the increase in council tax.

We are confident that our proposals reflect the ambition of the public and, as such, we are confident that the public would support these proposals.

The public and Fire Authority would:

- Like MFRS to maintain a standard 10-minute response to all life-risk incidents across Merseyside, rather than have some areas fall outside of that standard
- Prefer MFRS to use wholetime (full-time) firefighters to protect its communities rather than retained firefighters
- Like MFRS to secure long-term solutions that protect staff moving forward
- Encourage MFRS to consider the health, wellbeing and diversity of staff, including avoiding compulsory redundancy where possible
- Prefer to use different duty systems to improve and maintain response times Advocate performance against the response standard to be a determining factor when implementing change
- Expect MFRS to resource to meet the demands placed on the service
- Expect increased focus on Protection as a result of the Grenfell Tower inquiry and recommendations
- Expect MFRS to maximise its productivity to protect the public

- Would like MFRS to keep prevention at the forefront of its work
- Support MFRS assisting the ambulance service when it is facing a surge in demand, like that experienced through the pandemic (whilst maintaining response to fires/other emergencies)
- Advocate blue light collaboration, not integration
- Support and understand the need to MFRS to deliver a balanced budget in line with its medium-term financial plan

## **Collaboration**

Operational Preparedness provides strategic leadership for the development, coordination and governance of a comprehensive portfolio of collaborative initiatives delivered across blue light partners and wider stakeholders. These initiatives are managed through a structured collaboration tracker, which ensures clear visibility, alignment to organisational priorities and coordinated delivery across the wider resilience system. The portfolio builds on an established and mature collaboration framework, reflected in the Service's Local Collaboration Overview, which captures long-standing operational, training, estate, procurement and workforce collaboration activity. This coordinated, intelligence-led approach ensures collaboration is delivered as a managed programme of work rather than through isolated or ad hoc initiatives, supporting consistent delivery and continuous improvement.

The collaboration portfolio comprises both long-established and developing initiatives, coordinated as a continuous and evolving programme. Key elements of the portfolio have been in place for a number of years, with collaborative activity such as JESIP Commander training delivered since 2014, and formalised operational agreements (MoUs) supporting missing persons and gaining entry implemented between 2018 and 2020. Shared systems and joint approaches to operational risk information (SSRI/PORIS) have developed progressively since 2021. More recent initiatives include the introduction of multi-agency high-fidelity, no-notice training and exercising programmes in 2024, which are now embedded within the annual exercising calendar and being expanded further during 2025/26. Regional procurement collaboration has also been established over several years and continues to develop. Operational Preparedness maintains oversight of these initiatives on an ongoing basis, ensuring sustained delivery, increased maturity and alignment to emerging risk and national expectations.

The coordinated collaboration approach directly improves productivity by reducing duplication, enabling shared use of resources and ensuring that activity is risk-based and aligned across organisations. Joint delivery of training, exercising, site visits and engagement reduce repeat activity, while shared use of facilities, specialist capabilities (such as drones) and operational platforms improves utilisation and reduces cost.

Productivity improvements are further driven through coordinated procurement activity, which leverages regional buying power and avoids duplication in specification and purchasing processes.

Measurement and monitoring of productivity are strengthened through the use of a collaboration tracker, which provides oversight of activity, progress and benefits realisation. This is supported by structured OSHENS debriefs, integration with Operational Assurance and Training frameworks, and oversight through Preparedness and Merseyside Resilience Forum governance arrangements. Collectively, these mechanisms provide assurance that collaboration activity contributes to the Service's Productivity and Efficiency Plan and delivers measurable productivity gains.

The collaboration portfolio improves outcomes by enhancing multi-agency interoperability, operational competence and preparedness, particularly in high-risk and emerging risk scenarios. Coordinated training and exercising activity has delivered a 19.5% increase in training and exercising by combining multiple learning outcomes within single, multi-agency events. Alignment of over 3,700 annual SSRI and PORIS risk-based activities with partner engagement has reduced repeat visits, improved efficiency and enhanced shared understanding of risk. Expanded multi-agency JESIP training, supported by an increased internal trainer cohort (from 2 to 7), has reduced reliance on external provision, increased training capacity and ensured alignment with national requirements.

Operational outcomes are further improved through formalised MoU's, which support faster incident resolution, reduce demand on control rooms and partner agencies, and improve public and firefighter safety. Shared use of estate and training facilities maximises existing infrastructure, while drone collaboration provides a single shared operational capability across agencies. Workforce-focused initiatives such as leadership development, mediation training and shared recruitment processes improve organisational effectiveness and reduce inefficiencies. Together, these outcomes deliver better value for money, more efficient use of resources and improved operational performance, directly contributing to the Service's productivity objectives and overall resilience capability.

# EFFICIENCY

## 1. Background:

Merseyside Fire and Rescue Authority has an excellent record of sound budget management. Through our Medium-Term Financial Plan (MTFP), we clearly set out how services will be delivered, supported by prudent financial management and the efficient, economic, and effective use of resources.

We receive funding from Central Government grants, local business rates, and Council Tax contributions. Our investment decisions are guided by an understanding of community risk, demand, and vulnerability, with a strong focus on achieving value for money.

We remain dedicated to delivering high-quality services and rapid emergency response to ensure the safety of our communities. In common with the wider public sector, the Authority has navigated a challenging economic climate for over a decade. Despite experiencing real-terms budget reductions of approximately 50% since 2003, we have successfully managed evolving risks and demand through decisive action. Maintaining this resilience has, however, necessitated significant structural changes, including the reduction of our frontline workforce from over 1,000 to 620 firefighters and a decrease in our fleet from 43 to 26 fire engines in 2019.

In recent years, we have taken decisive steps to strengthen our capacity and resilience. This includes increasing our workforce to 642 firefighters and expanding our fire engine fleet to 34, improving our ability to respond to foreseeable and specialist risks.

We have also made significant investments in firefighter training and assurance to maintain the highest standards of competence, reflecting the lessons learned from the Grenfell Tower Phase 2 report.

Further improvements include enhanced personal protective clothing, specialist equipment and consumables, upgraded ICT systems, and continued investment in our buildings. This has allowed us to undertake further fire station refurbishments, ensuring our facilities are safe, welcoming, well managed, and designed to reduce contamination risks.

### **The Financial Plan:**

The Authority has set a financial plan that allows investment in line with the Authority's Vision and Purpose:

#### **Our Vision:**

To be the best Fire and Rescue Service in the UK.  
One team, putting its communities first.

#### **Purpose:**

Here to serve. Here to protect. Here to keep you safe.

The Authority remains dedicated to delivering high-quality services and rapid emergency response to ensure the safety of our communities.

The current budget provides for:

- 642 FTE firefighters
- 35 FTE staff in fire control
- 297 FTE support and technical staff
- Appliances:
  - i. Days: 27 immediately available plus 7 on a 30-minute recall
  - ii. Night: 21 immediately available plus 13 on a 30-minute recall
- 21 fire stations maintained by various demand-led duty cover systems.

The 2026/27 to 2030/31 Medium Term Financial Plan (MTFP) looks to:

- **Investment in Personal Protective Equipment (PPE):** We are investing in new Breathing Apparatus and essential ancillary components. This includes a full upgrade of our Technical Rescue Ensembles, encompassing specialised helmets, tunics, trousers, and footwear.
- **Investment in Fleet and Rescue Equipment:** The Authority is scheduled to take delivery of six new fire appliances during the 2026/2027 financial year. Simultaneously, all heavy-duty cutting equipment will be replaced to ensure peak operational performance and enhanced anti-theft security.
- **Training and Competence Assurance:** We are expanding our investment in specialist training and professional assurance. This includes funding for bespoke equipment, consumables, and modernised protective clothing.
- **Support Services and HR:** Strengthening our internal support by adding HR and Occupational Health resources and launching apprenticeships in Procurement and Communications to build future talent.
- **Strategic Establishment Review:** The budget provides the necessary provisions to review the Establishment, ensuring alignment with job evaluation standards and mitigate challenges of recruitment, retention, and organisational expansion.
- **Digital Infrastructure:** Improving digital systems and information facilities across the Authority.
- **Estate Modernisation:** We are committing further funding to improve our facilities, including a total makeover of Kirkby Fire Station in 2026/2027. These refurbishments will ensure our stations are welcoming for everyone while introducing modern systems to manage contaminants and keep our firefighters safe.
- **Strategic Energy Investment:** The Authority is dedicating £2 million reserve to a solar panel rollout and decarbonisation project. This strategic "invest-to-save" initiative provides a hedge against energy market volatility, delivering an initial £150,000 in annual savings, rising to a sustained £250,000 reduction in revenue expenditure from 2028/2029.



MFRA has an excellent record of delivering outstanding fire and rescue services within the budget we have available to spend on our employees (including our firefighters), equipment and services. Our money comes from grants from Central Government and Council Tax payments, and we make decisions on what we spend based on the Risk, Demand and Vulnerability of our communities. As we do that, we ensure that we provide value for money for the people of Merseyside.

## 2. Budget:

The Authority had to set a balanced (fully funded) budget for 2026/27 by 1<sup>st</sup> March 2026, which it did, when it approved the 2026/27 – 2030/31 Medium Term Financial Plan (MTFP) and Budget at the Authority meeting on 26<sup>th</sup> February 2026. The full report can be found on the Authority's website, however this document outlines some of the key elements of the Budget. The gross budget for 2026/27 is £94.584m and after taking into account specific grants, fees and charges, the **budget funding requirement** was £86.039m.

The updated MTFP results in a balanced financial position for 2026/27, 2027/28 and 2028/29. This is subject to the key assumptions, particularly around the annual pay increases remaining robust.

The MTFP indicates a potential financial challenge in future years, currently forecast to be £1.056m in 2029/30 rising to £1.205m by 2030/31. Whilst the MTFP is forecasting a deficit from 2029/30 onwards, uncertainty over government funding, potential changes to the funding mechanism, and future pay awards means substantial uncertainty exists over these forecasts.

The Authority's revenue budget requirement (gross day-to-day revenue spending less fees, specific grants, and other income) is funded approximately 52% from the Government and 48% from Council Tax (precept income).

In November 2025 the Government published its Local Government Finance Policy Statement for 2026/27 to 2028/29, marking the first multi-year financial settlement for English councils in over a decade. The settlement provides fixed funding envelopes for the next three financial years, allowing the Authority to transition from year-to-year planning to long-term financial planning.

The settlement also introduced funding protection for standalone Fire and Rescue Authorities, a new "**real-terms funding floor**" has been introduced. This floor ensures their 2025/26 income is protected in real terms throughout the multi-year period, **provided standalone Fire and Rescue Authorities take up the £5.00 per annum precept flexibility**.

The funding floor protection is 3.8% for 2026/27 (based on post-council tax Core Spending Power), with the GDP deflator to be used for the following years. As a result, our funding for 2026/27 will increase by £408k compared to the Provisional Settlement figures.

For 2026/27 the estimated income from Government via the Fair Funding Assessment (FFA) is £44.722m.

### Council Tax;

The Authority issues a precept (based on the required total council tax to be collected) on the five districts of Merseyside.

The Council Tax Base increase of 0.5% was assumed for 2026/27 and future years; the actual increase in 2026/27 was +2.05%, as detailed below:

| District                 | 2025/26<br>Council Tax<br>Taxbase | 2026/27<br>Council Tax<br>Taxbase | Variance        |              |
|--------------------------|-----------------------------------|-----------------------------------|-----------------|--------------|
| KNOWSLEY                 | 39,638.00                         | <b>40,313.00</b>                  | 675.00          | 1.70%        |
| LIVERPOOL                | 120,257.54                        | <b>122,885.21</b>                 | 2,627.67        | 2.19%        |
| SEFTON                   | 87,367.70                         | <b>89,044.00</b>                  | 1,676.30        | 1.92%        |
| ST.HELENS                | 53,700.00                         | <b>54,022.00</b>                  | 322.00          | 0.60%        |
| WIRRAL                   | 97,908.96                         | <b>100,786.00</b>                 | 2,877.04        | 2.94%        |
|                          | <b>398,872.20</b>                 | <b>407,050.21</b>                 | <b>8,178.01</b> | <b>2.05%</b> |
| 2025/26 Band D Tax Level | 96.25                             | 96.25                             |                 |              |
| Total Income £           | <b>38,391,449</b>                 | <b>39,178,583</b>                 | <b>787,133</b>  | <b>2.05%</b> |

This means that for each £1 of Council Tax, the income level will be higher than that generated in 2025/2026 by £8,178. **The result is that the income from the current level of Council Tax is anticipated to be higher by £0.787m.**

The Authority increased the precept by £5.00 per Band D property in 2026/27, a level that avoids the requirement for a referendum. This £5.00 increase is also assumed for 2027/28 and 2028/29, followed by an assumed 2% annual increase for the final two years of the plan. A £5.00 increase for 2026/27 will see the Band D precept increase from £96.25 to £101.25. **The precept increase will raise an additional £2.035m in 2026/27.**

| Council Tax Increase |                      |                   |                  |
|----------------------|----------------------|-------------------|------------------|
| District             | Change In Band D Tax |                   |                  |
|                      | 0%                   | £5.00             | Change           |
|                      | £96.25               | £101.25           | £5.00            |
|                      | £                    | £                 | £                |
| KNOWSLEY             | 3,880,126            | 4,081,691         | 201,565          |
| LIVERPOOL            | 11,827,701           | 12,442,128        | 614,427          |
| SEFTON               | 8,570,485            | 9,015,705         | 445,220          |
| ST.HELENS            | 5,199,618            | 5,469,727         | 270,109          |
| WIRRAL               | 9,700,653            | 10,204,582        | 503,929          |
|                      | <b>39,178,583</b>    | <b>41,213,833</b> | <b>2,035,251</b> |

For 2026/27 the **Band D Council Tax is £101.25, which equates to an increase of £5 or just under 10p per week on the 2025/26 figure.** As most people in Merseyside will pay **Band A Council Tax of £67.50, the increase is £3.33 or just over 6p per week on the 2025/26 figure.**

For 2026/27 the estimated income from the precept (council tax) is £41.213m. There has also been an additional £0.137m from the collection fund surplus.

A summary of the 2026/27 Financial Plan is set out below:

| <b>Expenditure 2026/27</b>                 | <b>Net Budget<br/>£'000</b> |
|--------------------------------------------|-----------------------------|
| Employee Salary Costs                      | 62,704                      |
| Additional Pension Costs                   | 2,002                       |
| Other Employee Expenses                    | 772                         |
| Premises Costs                             | 3,956                       |
| Transport Costs                            | 1,514                       |
| Supplies and Services Costs                | 3,931                       |
| Agency Services                            | 8,253                       |
| Central Expenses                           | 571                         |
| Capital Financing/Int on Balances          | 7,883                       |
| Income                                     | -8,969                      |
| Corporate Management                       | 649                         |
| Contingency for Pay/Price Changes          | 2,349                       |
| Movement In Reserves                       | 424                         |
| <b>Grand Total</b>                         | <b>86,039</b>               |
| <b>Funding 2026/27</b>                     | <b>£'000</b>                |
| <b>Government Funding</b>                  |                             |
| Fair Funding Assessment                    | -44,722                     |
|                                            | <b>-44,722</b>              |
| Adjustment for Local Business Rates Income | 33                          |
| Collection Fund Surplus                    | -137                        |
|                                            | <b>-104</b>                 |
| <b>Council Tax</b>                         |                             |
| Council Tax Precept Income                 | -41,213                     |
|                                            | <b>-41,213</b>              |
| <b>Grand Total</b>                         | <b>-86,039</b>              |

## 2026/27 – 2030/31 Medium Term Financial Plan

If any organisation wants to be successful, its budget setting and MTFP must allocate resources to support its key strategic aims and priorities. This is a vital consideration when organisations face periods of severe financial challenges. The Authority has maintained a comprehensive rolling five-year MTFP and capital programme for many years.

The 2026/27 – 2030/31 full MTFP can be found on the Authority's website: <https://www.merseyfire.gov.uk/about/fire-and-rescue-authority>

The MTFP is a rolling 5-year plan that includes not just the **annual revenue budget** and the **details of how any required revenue savings/efficiencies** are to be delivered, but it also includes all the necessary financial information in a single report to enable a comprehensive financial strategy to be considered and approved by the Authority. The MTFP:

- Includes a 5-year Capital Investment Programme and funding requirements that ensure the investment decisions are embedded within the 5-year Revenue Budget forecast,
- Ensures the MTFP takes into account the asks around the borrowing freedoms available under the Prudential Code and associated Prudential Indicators and the required Minimum Revenue Provision Policy (MRP),
- Outlines the proposed management of the Authority's investments and cash flows, its banking, money market and capital market transactions (Treasury Management Strategy),
- Includes a Reserves Strategy that defines the level and purposes for which the Authority holds reserves and the planned use of these reserves,
- Considers any financial challenge over the MTFP period, the allocation of resources in line with the Authority's priorities, and options for balancing the financial plan,
- The robustness of the estimates made to determine its Budget Requirement for the forthcoming year, and:
- The legal requirement for the Authority to set a balanced budget and decide its level of precept before 1st March 2026, based on the budget requirement and council tax base.

It is essential to understand the key elements of the MTFP / financial strategy before reviewing the approved efficiency savings within the MTFP.

The MTFP forecasts the revenue position for the new budget year to allow the Authority to approve a legal balanced budget, but it also produces a revenue forecast for a further four years. The five-year revenue forecast enables effective Service planning by producing a comprehensive financial strategy.

The current MTFP has been updated for the 2026/27 government funding settlement and the Merseyside local authorities' 2026/27 Council Tax Base, Collection Fund, and Business Rate forecasts. All known pay and price inflation increases have been built into the MTFP, and a review of the key assumptions around future funding and cost pressures has been reviewed.

Significant uncertainty exists over the 5-year forecast, as several key assumptions must be made for unknown future costs and funding.

## Pay

The previous MTFP assumed a 2.5% annual pay award for 2025/26 and beyond. However, the proposed 2026/27 MTFP has been updated to reflect the actual 2025/26 national settlements, both of which exceeded budgeted provisions. The Grey Book (firefighter) pay award was agreed at 3.2% (effective 1 July 2025), creating a budget pressure of 0.7% (£330k). Similarly, the Green Book (non-operational) award was settled at 3.2% (effective 1 April 2025), representing a 0.7% (£100k) pressure.

Following the Strategy Day in January 2026, the 2026/27 pay award assumption has been increased from 2.5% to 3.0% for all staff groups. This revised forecast accounts for current inflationary trends and recent public sector pay precedents, with a projected impact of £254k (part-year) and £314k (full-year). Assumptions for 2027/28 onwards remain at 2.5% p.a. at this stage.

## Pensions

**Firefighter Pension Scheme: Firefighter Pension Scheme Actuarial review 2020:-** Following the 2020 actuarial review, the Home Office introduced a Fire Pension Grant for 2024/25 to offset the rise in employer contribution rates from 28.8% to 37.6%. For the MFRA, the increase in employer contributions resulted in a total cost increase of over £2.300m. To bridge this gap, a fixed grant of £2.183m (calculated on a four-year average) was awarded for 2024/25. While initially issued on a one-year basis pending future Spending Reviews, the Authority's 2025/26 MTFP assumed this £2.183m contribution will continue in future years. Confirmation for 2026/27 is currently awaited, though funding is expected to remain at the £2.183m.

**Future LGPS Employer Contribution Update:** Merseyside Pension Fund aims to maintain long-term solvency and cost efficiency while maximising investment returns within acceptable risk levels. Following the January 2026 consultation on the 2025 actuarial results, the fund is estimated to be 117% funded. Based on this surplus, the Actuary recommends establishing a 1% Sustainability Reserve and reducing MFRA employer contributions from 17.9% to 5.9% for the three-year period. The new employer contribution rates will come into effect on 1<sup>st</sup> April 2026. This change will deliver approximately £1.150m in annual savings, which have been integrated into the MTFP through 2028/29, followed by a planned 50% tapering of these savings in 2029/30 and 2030/31.

## PRICES

The Office of Budget Responsibility forecasts CPI inflation of 2.5% in 2026. Over the medium term, once pressures ease, inflation is expected to stabilise around the 2% target.

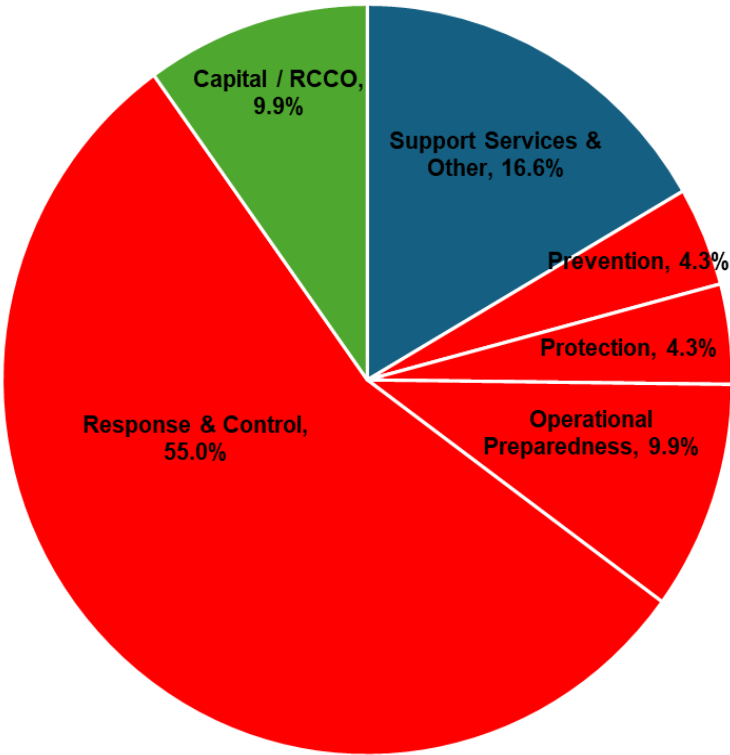
The proposed MTFP has built an increase of £0.622m to uplift the contingency for pay and inflation towards the impact of the inflationary pressures in 2025/26 and the expected 2026/27 inflationary impact.

An inflation provision of £1.796m is included in the proposed MTFP to cover the new-year, 2030/31, based on general inflation of 2% and pay uplifts of 2.5%.

**Analysis of 2026/27 Net Revenue Budget**

The Authority has an excellent track record of investing in line with its corporate priorities. The pie chart below outlines that most expenditure, 55%, goes on emergency and specialist response. In addition, 9.9% goes on Operational Preparedness and 8.6% on Protection, Prevention & Community Safety. Therefore 73.5% of expenditure is on the “front line” services. The 9.9% on capital costs relates mostly to previous investment in front line assets, fire stations, vehicles and equipment. The remaining 16.6% is on support and operational enabling services.

**2026/27 Net Budget By Service**



## 2026/27 – 2030/31 MTFP Revenue Plan

Considering all the information, the MTFP table below summarises the 2026/27 – 2030/31 revenue forecast.

| 2026/27 - 2030/31 MTFP                                                                                                                                                                         |                |                |                |                |                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                                                                                                                                                                                | 2026/27        | 2027/28        | 2028/29        | 2029/30        | 2030/31        |
|                                                                                                                                                                                                | £'000          | £'000          | £'000          | £'000          | £'000          |
| <b>NET SPEND IN 2025/26 MTFP</b>                                                                                                                                                               | <b>79,402</b>  | <b>81,093</b>  | <b>82,684</b>  | <b>84,426</b>  | <b>84,426</b>  |
| <b>2026/27 MTFP Issues to build in future MTFP:-</b>                                                                                                                                           |                |                |                |                |                |
| Impact of the <b>2025/26 Grey Book Pay Award</b> (Increase of 0.70%)                                                                                                                           | 330            | 330            | 330            | 330            | 330            |
| Impact of the <b>2025/26 Green Book Pay Award</b> (Increase of 0.70%)                                                                                                                          | 100            | 100            | 100            | 100            | 100            |
| Historic <b>Employers National Insurance</b> Grant now consolidated within the Fair Funding Assessment                                                                                         | 425            | 425            | 425            | 425            | 425            |
| Impact <b>2026/27 Pay Award</b> moving from <b>2.5% p.a. to 3% p.a.</b>                                                                                                                        | 254            | 314            | 314            | 314            | 314            |
| Impact <b>2025 LGPS Actuarial Valuation</b> reduction in employers pension contribution <b>17.9% - 5.9%</b> 2026/27 to 2028/29 then assume only <b>50%</b> of the saving for 2029/30 & 2030/31 | -1,150         | -1,150         | -1,150         | -575           | -575           |
| 2030/31 Inflation Provision                                                                                                                                                                    |                |                |                |                | 1,796          |
| Impact of Higher Prices (Inflation/Contingency)                                                                                                                                                | 622            | 784            | 953            | 957            | 957            |
| 2030/31 MRP/Interest - Additional year and Inflationary Impact on cost of Capital Goods                                                                                                        |                |                |                |                | 90             |
| Contribution to Capital Reserve to fund Capital Programme and additional Inflationary Pressures                                                                                                | 493            |                |                |                |                |
| Unavoidable Growth net of Savings                                                                                                                                                              | 476            | 425            | 282            | 600            | 480            |
| Provision for the review of Establishment to meet Job Evaluation / Recruitment / Retention / Growth Challenges                                                                                 | 400            | 300            | 300            | 300            | 300            |
| Historic Business Rates Grant compensation for under-indexation of tax rates now consolidated within the Fair Funding Assessment                                                               | 5,095          | 5,095          | 5,095          | 5,095          | 5,095          |
| Transitional Protection for 2026/27 - Fire and Rescue real terms floor 3.8%                                                                                                                    | -408           |                |                |                |                |
| <b>TOTAL</b>                                                                                                                                                                                   | <b>6,637</b>   | <b>6,623</b>   | <b>6,649</b>   | <b>7,546</b>   | <b>9,312</b>   |
| <b>FORECAST NET SPEND IN 2026/27 MTFP</b>                                                                                                                                                      | <b>86,039</b>  | <b>87,716</b>  | <b>89,332</b>  | <b>91,971</b>  | <b>93,737</b>  |
| <b>FORECAST FUNDING IN CURRENT MTFP</b>                                                                                                                                                        |                |                |                |                |                |
| <u><b>Government Funding-Settlement Funding Assessment:</b></u>                                                                                                                                |                |                |                |                |                |
| Fair Funding Assessment Baseline Funding actual for 2026/27, then 2.29% p.a. increase in 2027/28, then 2.02% p.a. increase in 2028/29, then 1% p.a. increase from 2029/30 onwards              | -19,926        | -20,383        | -20,794        | -21,002        | -21,212        |
| Fair Funding Assessment Revenue Support Grant actual for 2026/27, then 3.74% p.a. decrease in 2027/28, then 4.47% p.a. decrease in 2028/29, then 1% increase from 2029/30 onwards              | -24,796        | -23,868        | -22,800        | -23,028        | -23,258        |
| Fair Funding Allocation                                                                                                                                                                        | -44,722        | -44,251        | -43,595        | -44,030        | -44,470        |
| <b>Assumed Government Funding - Fair Funding Assessment</b>                                                                                                                                    | <b>-44,722</b> | <b>-44,251</b> | <b>-43,595</b> | <b>-44,030</b> | <b>-44,470</b> |
| <u><b>Adjustment forecast Business Rates yield based on NNDR1 returns</b></u>                                                                                                                  |                |                |                |                |                |
| Adjust for Local Business Rate income forecast from Districts Business Rates Collection Fund (surplus)/deficit                                                                                 | 34             | 0              | 0              | 0              | 0              |
| Adjustment to Local Business Rates income forecast                                                                                                                                             | -28            |                |                |                |                |
|                                                                                                                                                                                                | 6              | 0              | 0              | 0              | 0              |
| <u><b>Council Tax -</b></u>                                                                                                                                                                    |                |                |                |                |                |
| Base Precept Income                                                                                                                                                                            | -38,391        | -41,213        | -43,465        | -45,738        | -46,885        |
| Council Tax Base increase of 2.05% in 2026/27 then 0.5% p.a.                                                                                                                                   | -787           | -206           | -217           | -229           | -234           |
| Precept Increase of £5.00 in 2026/27, £5.00 2027/28 and £5.00 in 2028/29, then increase of 2% p.a. from 2029/30 onwards                                                                        | -2,035         | -2,045         | -2,056         | -919           | -942           |
| Council Tax Collection Fund (surplus)/deficit                                                                                                                                                  | -109           |                |                |                |                |
| <b>Forecast Council Tax Income</b>                                                                                                                                                             | <b>-41,322</b> | <b>-43,465</b> | <b>-45,738</b> | <b>-46,885</b> | <b>-48,062</b> |
| <b>TOTAL FUNDING</b>                                                                                                                                                                           | <b>-86,039</b> | <b>-87,716</b> | <b>-89,332</b> | <b>-90,915</b> | <b>-92,532</b> |
| <b>Forecast (Surplus) / Deficit</b>                                                                                                                                                            | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>1,056</b>   | <b>1,205</b>   |

### 3. Capital Programme:

Each financial year the Authority produces a capital programme to manage major schemes. Owing to the nature of capital expenditure, a large number of schemes span more than one financial year, so the programme is a rolling programme covering five financial years. The Authority's five-year capital investment programme 2026/27 to 2030/31 totals £44.195m. The programme includes:

- Spending on fire appliances and operational equipment
- Investment in refurbishment and maintenance of Fire Stations and other buildings
- Investment in Information Technology (ICT)

**Capital Programme 2026/27 to 2030/31**

| Capital Expenditure              | Total Cost<br>£   | 2026/27<br>£      | 2027/28<br>£     | 2028/29<br>£     | 2029/30<br>£     | 2030/31<br>£     |
|----------------------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|
| Buildings & Land                 | 9,648,800         | 4,357,000         | 2,573,300        | 993,500          | 1,102,500        | 622,500          |
| Fire Safety                      | 3,175,000         | 635,000           | 635,000          | 635,000          | 635,000          | 635,000          |
| ICT                              | 11,139,900        | 2,256,000         | 978,200          | 2,961,400        | 3,707,900        | 1,236,400        |
| NRAT Resilience Assets           | 0                 | 0                 | 0                | 0                | 0                | 0                |
| Operational Equipment & Hydrants | 6,881,500         | 3,518,000         | 693,000          | 902,000          | 761,000          | 1,007,500        |
| Vehicles                         | 13,269,900        | 4,981,000         | 1,583,900        | 690,000          | 3,465,000        | 2,550,000        |
| <b>Expenditure</b>               | <b>44,115,100</b> | <b>15,747,000</b> | <b>6,463,400</b> | <b>6,181,900</b> | <b>9,671,400</b> | <b>6,051,400</b> |
| Financing Available              | Total<br>£        | 2026/27<br>£      | 2027/28<br>£     | 2028/29<br>£     | 2029/30<br>£     | 2030/31<br>£     |
| Capital Receipts                 | 0                 | 0                 | 0                | 0                | 0                | 0                |
| RCCO                             | 1,875,000         | 375,000           | 375,000          | 375,000          | 375,000          | 375,000          |
| Capital Reserves                 | 0                 | 0                 | 0                | 0                | 0                | 0                |
| Grants                           | 0                 | 0                 | 0                | 0                | 0                | 0                |
| Total Non Borrowing              | 1,875,000         | 375,000           | 375,000          | 375,000          | 375,000          | 375,000          |
| Unsupported Borrowing            | 42,240,100        | 15,372,000        | 6,088,400        | 5,806,900        | 9,296,400        | 5,676,400        |
| <b>Total Funding</b>             | <b>44,115,100</b> | <b>15,747,000</b> | <b>6,463,400</b> | <b>6,181,900</b> | <b>9,671,400</b> | <b>6,051,400</b> |

Most of the capital programme is funded by borrowing, £42.320m, and is in line with the Authority's approved prudential borrowing limits and treasury management strategy. The balance is funded by revenue contributions of £1.875m.



## 4. Reserves:

The Authority has prudently planned to meet its financial challenges over the medium term. The plan the Authority proposes is based upon the key assumptions around changes to grant, pay, tax and pension costs. To protect and safeguard the Authority from unforeseen changes in circumstances, demands or assumptions made in setting the budget the Authority has an established general fund and specific earmarked reserves. The Authority's forecasted reserves as at 31<sup>st</sup> March 2026 are £17.347m.

### General Revenue Reserve £3.9m (approximately 5% of the current net Revenue Budget)

As a general rule external audit view an appropriate level for a general reserve as 5% of the forecast Net Operating Expenditure. The Authority's general revenue reserve equates to 5% of the current forecast Net Operating Expenditure.

### Committed (Earmarked) Reserves

The Authority has created these reserves for specific purposes and involves funds being set aside to meet known or predicted future liabilities or risks. The Director of Finance and Procurement has carried out a review of current reserves based on the latest financial review and known planned future use of the Authority's forecast reserves. The proposed reserves for 2026/27 and future years are outlined below.

| Committed Reserves                   |                            |                 |                   |                                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                    |
|--------------------------------------|----------------------------|-----------------|-------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|
|                                      | Balance C/fwd From 2025/26 | Proposed Change | Proposed Increase | Revised Balance C/fwd for 2026/27 | Estimated 2026/27 Use | Estimated 2027/28 Use | Estimated 2028/29 Use | Estimated 2029/30 Use | Estimated 2030/31 Use | Estimated 2031/32 Use | Estimated 2032/33 Use | Estimated 2033/34 Use | Estimated 2034/35 Use | Estimated 2035/36 Use | Estimated 2036/37 Use | Held to Cover Risk |
| <b>Emergency Related Reserves</b>    | £'000                      | £'000           | £'000             | £'000                             | £'000                 | £'000                 | £'000                 | £'000                 | £'000                 | £'000                 | £'000                 | £'000                 | £'000                 | £'000                 | £'000                 | £'000              |
| Bellwin / Emergency Planning Res     | 222                        |                 |                   | 222                               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       | 222                |
| Insurance Reserve                    | 534                        |                 |                   | 534                               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       | 534                |
| <b>Modernisation Challenge</b>       |                            |                 |                   |                                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                    |
| Smoothing Reserve                    | 1,400                      |                 |                   | 1,400                             |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       | 1,400              |
| Pensions Reserve                     | 300                        |                 |                   | 300                               |                       | -200                  | -100                  |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Recruitment Reserve                  | 1,814                      | -690            |                   | 1,124                             |                       | -624                  | -250                  | -250                  |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Collection Fund Reserve              | 100                        |                 |                   | 100                               |                       | -100                  |                       |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Carbon Net Zero Reserve              | 2,000                      |                 |                   | 2,000                             |                       | -2,000                |                       |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| <b>Capital Investment Reserve</b>    |                            |                 |                   |                                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                    |
| Capital Investment Reserve           | 2,036                      |                 | 493               | 2,529                             |                       | -1,529                | -500                  | -500                  |                       |                       |                       |                       |                       |                       |                       | 0                  |
| <b>PFI Annuity Reserve</b>           | 1,166                      |                 |                   | 1,166                             | -69                   | -69                   | -69                   | -69                   | -69                   | -69                   | -69                   | -69                   | -69                   | -69                   | -69                   | 407                |
| <b>Specific Projects</b>             |                            |                 |                   |                                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                    |
| Health & Safety Reserve              | 57                         |                 |                   | 57                                |                       | -57                   |                       |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Equipment Reserve                    | 466                        |                 |                   | 466                               |                       | -466                  |                       |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Clothing Reserve                     | 940                        |                 |                   | 940                               |                       | -940                  |                       |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Health and Wellbeing Reserve         | 7                          |                 |                   | 7                                 |                       | -7                    |                       |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Training Reserve                     | 270                        |                 |                   | 270                               |                       | -170                  | -100                  |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Inflation Reserve                    | 1,200                      | 690             |                   | 1,890                             |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       | 1,890              |
| <b>Ringfenced Reserves</b>           |                            |                 |                   |                                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                    |
| Community Risk Management Res        | 236                        |                 |                   | 236                               |                       | -126                  | -110                  |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Energy Reserve                       | 111                        |                 |                   | 111                               |                       | -111                  |                       |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| New Dimensions Reserve               | 95                         |                 |                   | 95                                |                       | -95                   |                       |                       |                       |                       |                       |                       |                       |                       |                       | 0                  |
| Forecast Use of Reserves in the year | 12,954                     | 0               | 493               | 13,447                            | -69                   | -6,494                | -1,129                | -819                  | -69                   | -69                   | -69                   | -69                   | -69                   | -69                   | -69                   | 4,453              |
| Total Earmarked Reserves Bal C/fwd   | 12,954                     | 0               | 493               | 13,447                            | 13,378                | 6,884                 | 5,755                 | 4,936                 | 4,867                 | 4,798                 | 4,729                 | 4,660                 | 4,591                 | 4,522                 | 4,453                 | 4,453              |
| General Revenue Reserve              | 3,900                      | 0               | 0                 | 3,900                             | 3,900                 | 3,900                 | 3,900                 | 3,900                 | 3,900                 | 3,900                 | 3,900                 | 3,900                 | 3,900                 | 3,900                 | 3,900                 | 3,900              |
| Total Reserves                       | 16,854                     | 0               | 0                 | 17,347                            | 17,278                | 10,784                | 9,655                 | 8,836                 | 8,767                 | 8,698                 | 8,629                 | 8,560                 | 8,491                 | 8,422                 | 8,353                 | 8,353              |

**Reserves and balances can only be used to finance one-off expenditure. They are not able to fund ongoing revenue expenditure. This is underlined by the Auditor's 'Golden Rule' - that "one-off" revenue reserves should not be used to support 'ongoing' revenue expenditure.**

## **5. Efficiency Savings:**

### **MFRA's 2025/26 Efficiency Savings.**

The Authority has met all efficiency savings as set out in the Productivity and Efficiency Plan for April 2025 to March 2026. The main areas in which the efficiency savings have been made are as follows:

- Procurement savings through the national framework, primarily from utility contracts. have been made during the 2025/26 financial year.
- Local procurement activities, with contract savings relating to ICT, mobile phones, stationery, operational equipment and training contracts.
- Use of LED light conversions at various Authority premises.
- Resourcing - vacancy management.

### **The Authority aims to achieve £0.384m Efficiency Savings in 2026/27.**

Historically, the Authority has delivered savings on the non-pay inflation provision by having an effective Procurement Strategy and professional Procurement Team that delivers competitive prices for services and goods. Throughout the budget year, Finance staff work pro-actively with budget managers to deliver savings within cost centres that can then be used to cover inflationary pressures. Based on the success of Procurement, Finance and Budget Managers in curtailing the impact of inflation on non-pay budgets, a saving of £0.384m has been estimated for the 2026/27 financial year. Details are listed in the attached 2026/27 Fire Efficiency Template, but as a summary, it is anticipated the savings will be achieved from:

- A property rationalisation in line with the Authority's Property Asset Management Strategy, premises savings in rates and utility costs can be made across the MFRS estate.
- Local procurement savings through the national framework.
- Data and Technology ICT savings from contract management charges.
- A reduction in net borrowing costs following the completion of loan repayments.

Although not assumed in the budget, the Director of Finance & Procurement will work with Treasury Management officers to deliver savings on the £7.8m revenue budget that services costs associated with capital borrowing. It is hoped that through effective treasury management (delaying/reducing external borrowing via the use of internal cash, making additional Minimum Revenue Payments), a permanent cashable saving can be found.

## **Collaboration**

### **North West Private Finance Initiative**

Merseyside Fire and Rescue Authority leads on a North West Private Finance Initiative (PFI) scheme totalling £48m in collaboration with both Lancashire and Cumbria Fire and Rescue authorities. This scheme provided for 16 new fire stations across the three Fire Authorities.

### **Joint Command and Control Centre**

The Joint Command and Control Centre (JCC) is built at the existing Fire & Rescue HQ, and brings police and fire control rooms together under one roof, enabling the emergency services to share facilities and technology in order to improve efficiency and effectiveness. In addition, the JCC premises also provides accommodation, which for the first time allows the co-location of MFRA, Merseyside Police, North West Ambulance Service operational planning teams, and Merseyside Resilience Forum, along with facilities that house purpose built strategic and tactical command suite facilities that service the communities of Merseyside. The colocation increases contact between personnel and enables already productive relationships to grow. It is jointly funded through capital investment from both MFRA and Merseyside Police and all running costs are apportioned. The JCC also houses National Resilience Fire Control (NRFC). This provides the means for specialist and front line fire and rescue service resources to be centrally coordinated and mobilised in support of significant, serious or catastrophic incidents. As well as supporting requirements within the National Coordination and Advisory Framework (NCAF), the NRFC forms part of a tripartite Memorandum of Understanding (MoU) between the National Police Coordination Centre (NPoCC) and the National Ambulance Coordination Centre (NACC).

### **Community Fire Stations**

MFRA operational personnel work alongside the North West Ambulance Service (NWAS) operational personnel. MFRA currently share 33% of Community Fire Stations with NWAS. The shared estates and assets facilitate closer dialogue between the services and improves efficiency and effectiveness. Savings are generated through the removal of duplication of property costs, sharing utilities, enabling NWAS the possibility of sale or re-sale of existing sites and properties, and providing MFRA with an income stream. The joint location affords both teams opportunities to enhance joint operational response in accordance with Joint Emergency Service Interoperability Programme (JESIP) principles; the colocation affording greater opportunity for contact between all personnel and enhancing professional relationships at the multi-agency level.

### **Prescot Fire & Police Station**

The Prescot Fire & Police Station is a jointly funded fire and police station which enabled the closure of two fire stations and a very old, out-dated, police station. This site sees MFRA operational personnel working alongside Merseyside Police (MP) operational personnel. The shared estates and assets facilitate closer dialogue between the services and improves efficiency and effectiveness. It provides both a capital receipt and reduction in running costs. It will also facilitate new and more efficient staffing models for both organisations. Savings are generated through the removal of duplication of property costs and sharing utilities. The joint location affords both teams opportunities to enhance joint operational response in accordance with JESIP principles; the colocation affording greater opportunity for contact between all personnel and enhancing professional relationships at the multi-agency level.

The Budget Requirement assumes an income budget of £8.4m of which a significant proportion, £1.2m, comes from collaboration arrangements for allowing blue light partners to be based in the Service's property portfolio. The Authority also works with its neighbouring local authorities to enhance community outcomes and deliver value for money services by outsourcing functions to partners.

## **Procurement Strategy**

The Authority has invested significant resources in its Procurement Service and developed a comprehensive Procurement Strategy to ensure it obtains quality services and products at the best price. MFRA will utilise National and Regional Procurement Frameworks to ensure MFRA receives value for money from all procurement contracts. Over the years this has allowed the non-employee budget to contain some inflationary pressures within the approved base budget and not require any drawdown from the inflationary provision. This has resulted in significant permanent cashable savings from the inflation provision over the years.

## **North West Regional Procurement Team**

This well-established group meets regularly to identify and progress collaborative opportunities in procurement across the region. The agreed strategy of this team is to share resources through collaboration, improving purchasing power to obtain better products, services and cost savings; avoid duplication of effort within the region; and let regional contracts where it is appropriate in order to leverage spending power and influence in the marketplace. All participating authorities are able to utilise a number of framework agreements over recent years, notably those for personal protective equipment and operational equipment. The work plan continues to identify this type of opportunity and a lead procurement professional is allocated along with a lead technical officer to progress each project.

Collaboration Partners include Lancashire Fire & Rescue Service, Cheshire Combined Authority, Greater Manchester Combined Authority, Northern Ireland, Cumbria, Isle of Mann and other FRS's also utilise the resulting North West contracts where it is appropriate. MFRA leads on the groups PPE requirements.

## **Charging Policy**

Fire Authorities are entitled to recover income from a range of discretionary fees and charges. This is in accordance with the schedule of authorised charges issued under the Fire & Rescue Services (England) Order 2004. MFRA may only charge for services as permitted by this Order. The Localism Act 2011 amended the Fire and Rescue Services Act 2004 by allowing MFRA to charge a person or organisation for any action taken by MFRA on a cost recovery basis only.

The Authority raises approximately 1,000 sales invoices per year for fees, charges, contributions and rent. This equates to income of approximately £3m and helps balance the annual budget. Any loss or reduction in the amount of budgeted income would require compensatory savings to be made elsewhere in order to balance the budget. Consistent with its strategy for prudent financial management, MFRA will continue to recover income from the permitted range of discretionary fees and charges. MFRA's charging policy formalises

those arrangements, provides details about the fees and charges and how they are calculated, and sets out the treatment of Chargeable Special Services at operational incidents. There is an obligation to ensure that discretionary fees and charges are recovered to prevent MFRA becoming the 'supplier of choice' due to providing some services 'free of charge,' in direct competition with businesses providing similar services. This results both in the loss of business for such organisations and for the Authority a loss of revenue to HMRC due to the lack of VAT collected.

### **Medium Term Financial Plan**

The MTFP indicates a potential financial challenge in future years, currently forecast to be £1.056m in 2029/30 rising to £1.205m by 2030/31. Whilst the MTFP is forecasting a deficit from 2029/2030 onwards, uncertainty over government funding, potential changes to the funding mechanism, and future pay awards means substantial uncertainty exists over these forecasts.

The Authority noted the forecast financial challenge at this time and noted that the Authority has access to a range of mitigating strategies that could be deployed to close the funding gap without the need for service reductions.

### **Performance Management**

The MTFP prioritises the allocation of resources for the delivery of the CRMP, Leadership Vision and Purpose, and the achievement of the Service and Function Plan objectives. The Authority receives quarterly reports on the performance against these key targets during the year. The Service Plan and progress reports are available on the Authority's website <https://www.merseyfire.gov.uk/about/fire-and-rescue-authority/>

The Authority also receives quarterly financial review reports to update it on the progress of the MTFP and any variations to the approved plan or deviation from the key assumptions. If needed, the financial review report recommends options for corrective action to keep the Budget and MTFP balanced. The report would also include updates on delivering approved efficiency savings.

### **Ministry of Housing, Communities and Local Government (MHCLG) - Efficiency Template**

The MHCLG has issued an efficiency template that they have asked all FRAs to complete. A copy of the completed MFRA return is attached to this Plan in Annex A.

## Primary Information

| <b>BUDGET (£000)</b>                |                  |                  |                  |                  |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Revenue Expenditure</b>          | <b>2024-2025</b> | <b>2025-2026</b> | <b>2026-2027</b> | <b>2027-2028</b> | <b>2028-2029</b> |
| Direct Employee                     | 58383            | 61028            | 62704            | 64271            | 65877            |
| Indirect Employee                   | 2370             | 2299             | 2774             | 2774             | 2774             |
| Premises                            | 4230             | 4027             | 3956             | 4054             | 4155             |
| Transport                           | 1450             | 1485             | 1514             | 1552             | 1591             |
| Supplies and Services               | 3359             | 3775             | 3931             | 4029             | 4130             |
| Capital Financing                   | 8103             | 7894             | 7883             | 7883             | 7883             |
| Other                               | 10159            | 10617            | 11822            | 12117            | 12420            |
| <b>Total</b>                        | <b>88054</b>     | <b>91125</b>     | <b>94584</b>     | <b>96680</b>     | <b>98830</b>     |
| <b>Income</b>                       | <b>2024-2025</b> | <b>2025-2026</b> | <b>2026-2027</b> | <b>2027-2028</b> | <b>2028-2029</b> |
| Actual Received from Precept        | 35571            | 38391            | 41213            | 43465            | 45738            |
| Local Government Finance Settlement | 38470            | 39007            | 44722            | 44251            | 43595            |
| Other Grants                        | 11578            | 11276            | 5597             | 5597             | 5597             |
| Income Raised Locally               | 2435             | 2451             | 3052             | 3367             | 3900             |
| <b>Total</b>                        | <b>88054</b>     | <b>91125</b>     | <b>94584</b>     | <b>96680</b>     | <b>98830</b>     |

| <b>RESERVES (£000)</b>     |                  |                  |                  |                  |                  |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
|                            | <b>2024-2025</b> | <b>2025-2026</b> | <b>2026-2027</b> | <b>2027-2028</b> | <b>2028-2029</b> |
| General Reserves           | 3000             | 3700             | 3900             | 3900             | <b>3900</b>      |
| Earmarked Revenue Reserves | 8470             | 8003             | 10918            | 5884             | <b>5255</b>      |
| of which MRP reserve       | 0                | 0                | 0                | 0                | <b>0</b>         |
| Earmarked Capital Reserves | 2141             | 2064             | 2529             | 1000             | <b>500</b>       |
| Other Reserves             |                  |                  |                  |                  |                  |
| of which revenue           | 0                | 0                | 0                | 0                | <b>0</b>         |
| of which capital           | 0                | 0                | 0                | 0                | <b>0</b>         |
| <b>Total</b>               | <b>13611</b>     | <b>13767</b>     | <b>17347</b>     | <b>10784</b>     | <b>9655</b>      |

## EFFICIENCY DATA (£000)

| Merseyside                                                         | Actual 2024-25 |               | Actual 2025-26 |               | Forecast 2026-27 |               | Forecast 2027-28 |               | Forecast 2028-29 |               |
|--------------------------------------------------------------------|----------------|---------------|----------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Opening Revenue Expenditure Budget (Net)                           | 74,191         |               | 77934          |               | 86039            |               | 87716            |               | 89332            |               |
| Less Total Direct Employee Costs                                   | 61,475         |               | 64852          |               | 66842            |               | 68513            |               | 70226            |               |
| Non Pay Budget                                                     | 12,716         |               | 13082          |               | 19197            |               | 19203            |               | 19106            |               |
| Efficiency Savings                                                 | Recurrent      | Non-recurrent | Recurrent      | Non-recurrent | Recurrent        | Non-recurrent | Recurrent        | Non-recurrent | Recurrent        | Non-recurrent |
| <u>Direct Employee</u>                                             |                |               |                |               |                  |               |                  |               |                  |               |
| Reduction in Prevention/Protection/Response Staff                  | -              | -             |                |               |                  |               |                  |               |                  |               |
| Reduction in Support Staff                                         | 45             | -             |                | 27            |                  |               |                  |               |                  |               |
| <u>Indirect Employee (e.g. training, travel etc.)</u>              |                |               |                |               |                  |               |                  |               |                  |               |
| All Indirect Employee Costs                                        | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| <u>Premises</u>                                                    |                |               |                |               |                  |               |                  |               |                  |               |
| Utilities                                                          | 0              | 0             | 130            | 64            | 104              |               | 154              |               | 204              |               |
| Rent/Rates                                                         | 0              | 0             |                |               | 117              |               | 117              |               | 117              |               |
| Other Premises Costs                                               | 0              | 0             | 80             |               |                  |               |                  |               |                  |               |
| Shared Premises                                                    | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| <u>Transport</u>                                                   |                |               |                |               |                  |               |                  |               |                  |               |
| Fleet                                                              | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| Fuel                                                               | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| Other Transport Costs                                              | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| <u>Supplies and Services</u>                                       |                |               |                |               |                  |               |                  |               |                  |               |
| National Procurement Savings                                       | 152            | 0             |                |               |                  |               |                  |               |                  |               |
| Local Procurement Savings                                          | 135            | 0             | 32             |               | 50               |               | 50               |               | 50               |               |
| Other Technology Improvements                                      | 0              | 0             | 60             |               | 53               |               | 53               |               | 53               |               |
| Decreased Usage                                                    | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| <u>Capital Financing</u>                                           |                |               |                |               |                  |               |                  |               |                  |               |
| Revenue Expenditure Charged to Capital                             | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| Net Borrowing Costs                                                | 0              | 0             |                |               | 60               |               | 60               |               | 60               |               |
| <u>Other</u>                                                       |                |               |                |               |                  |               |                  |               |                  |               |
| Other Savings 1 (Please Specify)                                   | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| Other Savings 2 (Please Specify)                                   | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| Other Savings 3 (Please Specify)                                   | 0              | 0             |                |               |                  |               |                  |               |                  |               |
| <b>Total Efficiency Savings (excluding direct employee saving)</b> | <b>287</b>     |               | <b>366</b>     |               | <b>384</b>       |               | <b>434</b>       |               | <b>484</b>       |               |
| <b>Efficiency Savings as a Percentage of Non-Payroll Budgets</b>   | <b>2.26%</b>   |               | <b>2.80%</b>   |               | <b>2.00%</b>     |               | <b>2.26%</b>     |               | <b>2.53%</b>     |               |

## INCOME

£000

|                                               | Actual 2024-25 |               | Actual 2025-26 |               | Forecast 2026-27 |               | Forecast 2027-28 |               | Forecast 2028-29 |               |
|-----------------------------------------------|----------------|---------------|----------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
|                                               | Recurrent      | Non-recurrent | Recurrent      | Non-recurrent | Recurrent        | Non-recurrent | Recurrent        | Non-recurrent | Recurrent        | Non-recurrent |
| Income generated from charging policies       | 178            | 57            | 178            | 85            | 220              |               | 225              |               | 230              |               |
| Income generated from trading operations      | 560            | 237           | 560            | 119           | 315              |               | 325              |               | 340              |               |
| Income generated from shared premises         | 893            | 360           | 893            | 360           | 1169             |               | 1169             |               | 1169             |               |
| Income generated from interest on investments | 300            | 633           | 300            | 450           | 500              |               | 500              |               | 500              |               |
| Income generated from other sources           | 755            | 361           | 755            | 453           | 848              |               | 1148             |               | 1661             |               |
| <b>Total</b>                                  | <b>2686</b>    | <b>1648</b>   | <b>2686</b>    | <b>1467</b>   | <b>3052</b>      | <b>0</b>      | <b>3367</b>      | <b>0</b>      | <b>3900</b>      | <b>0</b>      |

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