



Audit and Finance Committee

26 September 2024

Revenue and Capital Outturn for the Year Ended 31 March 2024

Report of Deputy Chief Executive

Purpose of the Report

1. To provide information on the 2023/24 revenue and capital outturn compared with the original budget. The comparison with the **original** budget is a requirement for the published statement of accounts and differs from the information provided during the year which compared actual expenditure and income with the **revised** budget.

Background

2. During 2023/24, members received regular reports comparing actual expenditure and income with the budget, together with explanations for variances. This report provides further detail on the actual outturn position for the year ended 31 March 2024.

Comparison of Revenue Outturn with Budget

3. The total net revenue expenditure for 2022/23 after transfers to and from reserves was in line with the original budget of £32.101M.
4. The reasons for significant variations from the budget are set out below and an analysis of expenditure and income over subjective budget headings is set out in Appendix 1.
5. **Employees - £0.665M Underspent**

To assist in balancing the budget in future years, members agreed to consult the public on the option of riding with a crew of 4 on all fire appliances. The change to riding with 4 was implemented from 01 July 2023 saving £608,000 in staffing costs in the current financial year. Further savings were also achieved from vacant corporate staff posts and a number of firefighter retirements during the year.

6. **Premises - £0.333M Overspent**

Expenditure on repairs and maintenance exceeded the budget due to the need to carry out essential repairs. Expenditure on electricity exceeded the budget mainly due to inflation. This was partially offset by savings in business rates which were realised following a rating review of all premises.

7. **Transport - £0.133M Underspent**

Expenditure on vehicle running costs was below budget mainly due to a reduction in the cost of fuel.

8. **Supplies and Services - £0.322M Underspent**

To assist in balancing the budget a full review of all budget headings was undertaken to identify savings and correct any shortfalls in current budgets. The review identified net savings across a number of budget heads which together with strict control of non-essential expenditure resulted in an underspend of £322,000.

9. **Contingencies - £0.500M Underspent**

The contingencies budget includes an allowance for inflation and pay awards which has helped offset the increased costs within other headings.

10. **Capital Financing - £1.342M Overspent**

A contribution was made from the revenue account to finance capital expenditure which was not included in the original budget. Financing capital expenditure from revenue avoids the need to budget for loan interest and principal repayments in future years and will assist in balancing the medium-term financial plan going forward.

11. **Provisions and Write-Offs - £0.009M Underspent**

The underspend is due to the release of an insurance provision in excess of requirement following the settlement of claims.

12. **Government Grants - £0.014 Less than Original Budget**

Government grant income was slightly less than the amount included in the original budget.

13. **Other Income - £1.172M In Excess of Original Budget**

The increase in other income was due to work carried out for third parties, the contribution to the service from Vital Fire Solutions for work carried out by service employees, additional investment income due to increased interest rates and additional income from training.

14. **Transfers to / from (-) Earmarked Reserves - £1.112M variance from Original Budget**

The original budget included a contribution of £0.571M from reserves to balance the budget which was not required due to efficiency savings

achieved during the year. The following transfers to (+) / from (-) reserves took place on 31st March 2024:

Reserve	Opening Balance at 01/04/23	Transfer to Reserve	Transfer from Reserve	Closing Balance at 31/03/24
	£M	£M	£M	£M
General Reserve	1.605	+0.168	-	1.773
Earmarked Reserves				
Pensions	0.500	-	-	0.500
Community Safety	0.084	-	-0.002	0.082
Insurance	0.285	-	-	0.285
Resilience	1.000	-	-	1.000
Modernisation	0.862	+0.378	-	1.240
ESMCP	0.599	-	-0.534	0.065
Training	0.200	-	-	0.200
Strategic Finance – Funding Pressures	0.372	-	-0.046	0.326
IT Projects	-	+0.534	-	0.534
Total Earmarked Reserves	3.902	+0.912	-0.582	4.232
Total Reserves	5.507	+1.080	-0.582	6.005

- **General Reserve**

A transfer of £0.168M was made to the General Reserve to increase it to 5% of 2024/25 net revenue expenditure. This is in line with the Reserves Policy agreed by the Authority at its meeting in February 2024.

- **Community Safety Reserve -£0.002M**

A transfer of £0.002M was made from the Community Safety reserve to finance expenditure incurred during the year.

- **Modernisation Reserve +£0.378M**

A transfer of £0.0378M was made to the Modernisation Reserve to fund future capital expenditure.

- **Emergency Services Mobile Communication System (ESMCP) Reserve -£0.534M**

A transfer of £0.534M was made from the ESMCP reserve to the IT Projects reserve to fund future expenditure on the Fire Control project.

- **Strategic Finance Reserve -£0.046M**

A transfer of £0.046M was made from the Strategic Finance Reserve which is used to facilitate the smoothing of the council tax collection fund deficit between financial years.

- **IT Projects Reserve + £0.534M**

A transfer of £0.534M was made to the IT Projects reserve from the ESMCP reserve to fund future expenditure on the Fire Control project.

Comparison of Capital Outturn with Budget

15. The total capital expenditure for 2023/24 was £2.166M compared with an original budget of £3.708M. The total underspend for the year was £1.592M. The reasons for significant variations from the budget are provided below and further details are set out in Appendix 2:

16. **Vehicles, Plant and Equipment - £1.712M Underspent**

The underspend was due to changes to the planned timing of the replacement of some items of vehicles, plant and equipment.

17. **Estates Improvement Programme - £0.120M Overspent**

Additional minor improvements to premises were carried out during the year which were not included in the original budget, including invest to save solar PV installations on fire stations.

Recommendation

18. Members are **RECOMMENDED** to **note** the outturn position for the financial year ended 31 March 2024.

Appendix 1

FIRE AND RESCUE AUTHORITY REVENUE OUTTURN 2023/24

Budget Heading	Original Budget	Actual	Variance	
	£000	£000	£000	%
Expenditure				
Employees	27,864	27,199	-665	-2.39
Premises	3,293	3,626	333	10.10
Transport	790	657	-133	-16.78
Supplies & Services	4,611	4,289	-322	-6.98
Contingencies	500	-	-500	-100.00
Capital Financing	1,721	3,063	1,342	77.98
Provisions & Write-Offs	-	-9	-9	-100.00
Total Expenditure	38,779	38,825	46	0.12
Income				
Government Grants	-5,263	-5,249	14	-0.27
Other Income	-801	-1,973	-1,172	146.32
Total Income	-6,064	-7,222	-1,158	-19.10
Net Transfer to / from (-) Reserves	-614	498	1,112	181.11
Net Expenditure	32,101	32,101	-	-
Taxation and Non-Specific Grant Income	-32,101	-32,101	-	-
Outturn	-	-	-	-

Variances follow this convention:

- + positive variance means an overspend or reduced income.
- negative variance means an underspend or increased income.

FIRE AND RESCUE AUTHORITY CAPITAL OUTTURN 2023/24

Budget Heading	Original Budget	Actual	Variance	
	£m	£m	£m	%
Vehicles, Plant and Equipment	3.027	1.315	-1.712	-56.56
Land and Buildings	0.681	0.801	0.120	17.62
Total Expenditure	3.708	2.116	-1.592	-42.93

Variances follow this convention:

- + positive variance means an overspend.
- negative variance means an underspend.