

Lancashire Combined Fire Authority

Resources Committee

Meeting to be held on 12 July 2023

Year End Revenue Outturn 2022/23 (Appendix 1 refers)

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Executive Summary

This report presents the revenue outturn position, and the impact of this on usable reserves. The overall outturn position shows an overspend of £1.865m which is broadly in line with previous forecasts.

Recommendation

The Committee is asked to note and endorse the outturn position on the 2022/23 revenue budget.

The Revenue Outturn Position

The annual budget for the year was set at £63.017m. The final outturn position shows net expenditure of £64.882m, giving a total overspend for the financial year of £1.865m, which is broadly in line with previous forecasts.

The detailed final revenue position is set out in Appendix 1, with major variances being summarised below (note as reported throughout the year the variances shown relate to non-pay spend, with the variance on the pay budget being shown separately):-

| Area | Overspend/ (Underspend) | Reason |
|----------|----------------------------|--|
| | £'000 | |
| Fleet | 71 | As previously reported to members there is an overspend on fuel that is due to the increase in prices, this budget has been updated for 2023/24 to reflect the high fuel costs. |
| Property | 970 | As previously reported to members the overspend is due to the increase in the cost of energy and inflationary pressures on maintenance costs. |
| Non DFM | (590) | The main reason for the underspend as previously reported to members is additional bank interest of (£408k) but in addition the service recovered (£102k) of VAT from the HMRC following a successful challenge. |
| Pensions | (186) | The underspend on the pensions budget is due to fewer individuals retiring on ill health grounds than budgeted. |

| | | |
|---|-----|--|
| TOR | 150 | There has been a shortfall in the apprenticeship income due to a higher number of leavers than assumed in the budget, the budget for 2023/24 will be reviewed to ensure it remains reasonable. |
| Wholetime Pay (including associate trainer costs) | 905 | As previously reported to members the overspend is mainly due to the agreed 7% pay award for grey book against a budget of 2%. Retirements and leavers were higher than anticipated and there was a slight shortfall in recruitment numbers offset against overtime costs, associated with covering vacancies and staff absences. |
| Support staff (less agency staff) | 459 | As also previously reported to members the outturn position reflects the green book pay award of £1,925 per full time equivalent being higher than budgeted. Vacancies have offset some of these additional costs however, agency staff have been utilised throughout the year to cover some key posts due to the challenging employment market. |

Grant Funding

The Authority receives specific grants from the Government in respect of various new initiatives. These are included in the revenue budget position shown above, with any unspent funding being carried forward as an earmarked reserve:

| | Protection uplift £000 | Accreditation £000 | Grenfell Infrastructure £000 | Pensions Admin £000 | Efficiency £000 |
|------------------------|---------------------------|-----------------------|---------------------------------|------------------------|--------------------|
| B/fwd | (85) | (35) | (20) | (145) | (131) |
| Grant received in year | (286) | - | - | - | (1) |
| Tfr in from budgets | - | - | - | - | - |
| Utilised | 371 | 3 | 20 | - | - |
| Bal Remaining | - | (32) | - | (145) | (132) |

Delivery Against Savings Targets

The following table sets out the savings targets identified during the 2022/23 budget setting process, hence removed from the 2022/23 budget, and performance against this: -

| £m | Annual Target | Savings at Year End |
|--|---------------|---------------------|
| We have top sliced the majority of non-pay budgets by 2.5% | (0.2) | (0.2) |
| Adjust pooled PPE budget to reflect lifecycle replacement requirement | (0.2) | (0.2) |
| Reduction in car users/mileage budgets across all budgets, reflecting alternative ways of future working | (0.2) | (0.3) |
| Other | (0.3) | (0.5) |
| | (0.9) | (1.2) |

The performance was ahead of the annual target largely due to additional procurement savings in the 'other' category.

Business Risk

None

Environmental Impact

None.

Equality and Diversity Implications

None.

HR Implications

None.

Financial Implications

As set out in the report.

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/a

Appendix 1

| BUDGET MONITORING STATEMENT YEAR ENDING 31ST MARCH 2023 | | Total Budget | Budgeted Spend to Mar 2023 | Actual Spend to Mar 23 | Variance O/Spend (U/Spend) | Variance Pay | Variance Non-Pay |
|--|--|-----------------|----------------------------------|---------------------------|----------------------------------|-----------------|---------------------|
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| Service Delivery | | | | | | | |
| Service Delivery | | 36,084 | 36,062 | 37,527 | 1,465 | 1,455 | 9 |
| Prevention & Protection | | 2,893 | 2,972 | 2,982 | 10 | 89 | 99 |
| Covid-19 | | - | - | - | - | - | - |
| Control | | 1,346 | 1,346 | 1,410 | 64 | - | 64 |
| Youth Engagement (inc Princes Trust) | | 22 | 22 | 28 | 6 | - | 6 |
| Special Projects (ISAR) | | 13 | 13 | 9 | 4 | - | 4 |
| | | - | - | - | - | - | - |
| Strategy & Planning | | - | - | - | - | - | - |
| Service Development | | 1,537 | 1,552 | 1,695 | 143 | 229 | 86 |
| Training & Operational Review | | 4,270 | 4,415 | 4,248 | 168 | 318 | 150 |
| Fleet & Technical Services | | 2,683 | 2,709 | 2,843 | 134 | 63 | 71 |
| Information Technology | | 2,782 | 2,860 | 2,852 | 8 | 38 | 45 |
| Digital Transformation | | 421 | 562 | 565 | 3 | 30 | 27 |
| | | - | - | - | - | - | - |
| People & Development | | - | - | - | - | - | - |
| Human Resources | | 844 | 903 | 997 | 94 | 53 | 41 |
| Occupational Health Unit | | 241 | 242 | 298 | 56 | 19 | 36 |
| Corporate Communications | | 328 | 344 | 407 | 63 | 57 | 6 |
| Safety Health & Environment | | 233 | 248 | 232 | 16 | 12 | 3 |
| | | - | - | - | - | - | - |
| Corporate Services | | - | - | - | - | - | - |
| Executive Board | | 1,059 | 1,064 | 1,058 | 6 | 3 | 3 |
| Central Admin Office | | 834 | 866 | 758 | 108 | 118 | 11 |
| Finance | | 145 | 166 | 181 | 15 | 12 | 2 |
| Procurement | | 848 | 988 | 1,053 | 65 | 83 | 18 |
| Property | | 2,173 | 2,179 | 3,175 | 996 | 27 | 970 |
| External Funding | | - | 3 | 1 | 2 | 0 | 1 |
| TOTAL DFM EXPENDITURE | | 58,757 | 59,514 | 62,317 | 2,803 | 1,526 | 1,277 |
| | | | | | | | |
| Non DFM Expenditure | | | | | | | |
| Pensions Expenditure | | 1,351 | 1,351 | 1,165 | 186 | - | 186 |
| Other Non-DFM Expenditure | | 2,909 | 2,152 | 1,400 | 752 | 162 | 590 |
| NON-DFM EXPENDITURE | | 4,260 | 3,503 | 2,565 | (938) | (162) | (776) |
| | | | | | | | |
| TOTAL BUDGET | | 63,017 | 63,017 | 64,882 | 1,865 | 1,364 | 501 |