

Lancashire Combined Fire Authority

Resources Committee

Meeting to be held on 29 November 2023

Financial Monitoring 2023/24 (Appendices 1 and 2 refer)

Contact for further information: Steven Brown - Director of Corporate Services
Tel: 01772 866804

Executive Summary

The report sets out the current budget position in respect of the 2023/24 revenue and capital budgets.

Recommendation

The Committee is requested to:

- note and endorse the financial position; and
- approve additional slippage in the capital programme of £1.566m to 2024/25.

Revenue Budget

Lancashire Fire and Rescue Service's 2023/24 revenue budget has been set at £68.493m. The forecast outturn position is £68.888m, an overspend of £0.395m; an overspend of £0.594m on non-pay activities and an underspend of (£0.199m) on pay.

The year-to-date and forecast positions within all departmental budgets are set out in Appendix 1, with major forecast variances of note shown separately in the table below:

Area £'m	Overspend/ (Under spend)	Reason
Pay	(0.199)	<p>The forecast is consistent with the position reported to the Committee in September:</p> <ul style="list-style-type: none">• There is a forecast pressure of £0.140m as a result of the Service meeting its legal responsibilities in relation to the Bear Fulton legal case regarding holiday pay;• Whilst the Emergency Cover Review (ECR) remains on target, there have been some initial timing delays compared to the budget that have resulted in an in year pressure that has been offset through improvement in the management of overtime arrangements; and• Other savings include some vacancies particularly at the training centre of (£0.179m).

Area £'m	Overspend/ (Under spend)	Reason
Fleet and technical Services - Non Pay	0.358	The forecast overspend is mainly due to inflationary pressures on the supply of parts and increase in repairs. It is hoped that this pressure will reduce in future years as inflation falls and the older fleet stock is replaced.
Apprenticeship Levy Funding – Non Pay	0.300	As previously reported the Apprenticeship Levy income for the year is forecast to be lower than budgeted resulting in an annual pressure of approximately £0.300m; this is due to a reduction in the number of recruits meeting the eligibility criteria for funding. On call fire fighters and recruits with significant prior learning do not attract levy funding.
Training Centre Courses – Non Pay	0.163	Due to vacancies in the Training Centre, as previously reported, the department has had to appoint more associate trainers than budgeted to meet the training needs of the service such Driver Training and specialist training such as swift water rescue as a result of the ECR. This pressure is offset by vacancies and the service is putting in place arrangements to try to increase the number of internal trainers.
Service Delivery / Heads of Service Delivery – Non Pay	0.108	As previously reported there is a forecast overspend of £0.108m on protective equipment, including the roll out of wildfire kit and Urban Search And Rescue (USAR) kit.
Non – DFM – Bank Interest	(0.302)	There is a forecast saving on interest earned on cash balances invested.

Capital Budget

The Capital Programme for 2023/24 is £11.7m, after allowing for the year end slippage agreed at the last Resources Committee meeting. Spend to date is to date is £3.79m which is predominantly on pumping appliances as set out in Appendix 2.

We have reviewed the current year end forecasts and are currently anticipating an in year spend of £9m. This will lead to total slippage of £2.6m; an additional £1.566m slippage for approval by the Resources Committee. Details of capital projects are outlined in the table with the additional slippage for approval:

Area	Budgeted Items
Operational Vehicles Budget £5.991m Forecast £4.507m Approved Slippage £0.301m Additional Slippage £1.136m	The budget allows for the remaining stage payments for 10 pumping appliances purchased in previous financial years. In addition, the budget allows for the first stage payments of the 3 pumping appliances for the 2023/24 programme. It also includes two climate change vehicles and three command units. All are on target in 2023/24, except for extended lead time of the smaller climate change vehicle. The following additional items have slipped to 2024/25 due to extended lead times: <ul style="list-style-type: none"> • 2 Water Towers (£1.027m) due for delivery quarter 1 2024/25; • 2 Prime movers (£0.260m) have slipped pending specification certification from the supplier.
Other vehicles Budget £1.03m Forecast £0.925m Approved slippage £0.123m	This budget allows for the replacement of various operational support vehicle. The supply of 3 rescue team vans have been delayed to 2024/25.
Operational Equipment Budget £1.47m Forecast £1.22m Approved slippage £0.25m	As reported in September, this budget allows for equipment purchases including thermal imaging cameras and cutting and extrication equipment 2023/24. Slippage on Ballistic Vest and Helmet PPE will enable exploration and pilot of equipment.
Building Modifications Budget £1.6m Forecast £1.6m	This budget includes the continuation of Drill Tower replacements and an upgrade to the Wylfa prop facility. Completion of works is on target. There is a risk works may slip into early 2024/25.
IT systems Budget £1.7m Forecast £1.3m Approved slippage £0.3m Additional Slippage £0.430	This budget includes for the upgrade Firewalls and digitisation of fire appliances. Slippage is expected on the following: <ul style="list-style-type: none"> • The national Emergency Services Mobile Communication Programme (ESMCP) has paused to 2025 (£0.1m); • Upgrade of Asset Management (£0.1m) due to review of interdependencies; • WIFI (£0.135m) can only be completed after the Firewall scheduled in quarter 4 of 2023/24; • Incident ground radios (£0.23m) has slipped in line with helmet communications and the breathing apparatus replacement program; and • RDS Alerters (£0.065m) has slipped due to period of soft market research.

Appendix 2 sets out the capital programme and the committed expenditure position against this, as reflected above. The committed costs to date will be met by revenue contributions and usage of capital reserves and capital receipts.

Financial Implications

As outlined in the report

Business Risk Implications

None

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

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 SEPT 2023	Revised Annual Budget	Revised YTD Budget	Year to Date Total	Year to Date Variance	Variance Pag	Variance Non-Pag	Outturn Forecast	Outturn Variance	Outturn Variance Pag	Outturn Variance Non-Pag
People & Development	-	-	-	-	-	-	-	-	-	-
Human Resources	958.05	474.45	474.89	0.44	- 24.49	24.93	933.94	- 24.11	- 67.44	43.33
Occupational Health Unit	295.25	152.20	153.06	0.86	10.92	- 10.06	282.89	- 12.36	9.90	- 22.27
Corporate Communications	350.09	166.38	201.46	35.08	26.71	8.37	385.87	35.78	40.39	- 4.60
Safety Health & Environment	262.77	132.88	150.16	17.28	27.06	- 9.78	307.36	44.59	55.75	- 11.16
	-	-	-	-	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-	-	-	-	-
Executive Board	1,077.66	565.98	624.58	58.59	71.77	- 13.18	1,134.89	57.23	82.06	- 24.84
Central Admin Office	842.87	420.93	302.50	- 118.43	- 112.17	- 6.27	566.54	- 276.33	- 257.92	- 18.41
Finance	194.14	97.04	102.79	5.75	5.23	0.52	196.86	2.71	2.82	- 0.11
Procurement	723.38	454.77	509.47	54.69	25.01	29.69	993.32	269.95	157.41	112.53
Property	3,976.98	1,753.22	1,753.12	- 0.09	- 17.11	17.02	3,954.24	- 22.74	- 44.53	21.79
External Funding	- 7.17	- 4.91	- 4.91	- 0.00	0.02	- 0.02	- 7.17	-	-	-
TOTAL DFM EXPENDITURE	65,267.09	34,479.50	35,004.30	524.80	-36.78	561.58	66,023.31	756.21	- 115.31	871.52
Non DFM Expenditure										
Pensions Expenditure	1,399.20	555.30	572.46	17.16	-	17.16	1,398.48	- 0.72	-	- 0.72
Other Non-DFM Expenditure	1,826.81	- 2,506.31	- 2,629.88	- 123.57	- 40.53	- 83.04	1,466.88	- 359.93	- 83.55	- 276.38
NON-DFM EXPENDITURE	3,226.01	- 1,951.01	- 2,057.41	- 106.41	-40.53	- 65.87	2,865.37	- 360.64	- 83.55	- 277.10
TOTAL BUDGET	68,493.10	32,528.49	32,946.89	418.40	-77.32	495.71	68,888.67	395.57	- 198.86	594.43

APPENDIX 2

CAPITAL BUDGET 2023/24	Revised Programme	Expenditure to Date	Year End Outturn	Slippage to future years	Estimated final cost	Over/ (Under) Spend
Vehicles						
Operational Vehicles	5.991	3.215	4.507	(1.437)	5.944	(0.046)
Support Vehicles	1.030	0.125	0.925	(0.123)	1.048	0.018
	7.021	3.340	5.432	(1.560)	6.993	(0.028)
Operational Equipment						
Operational Equipment	1.468	0.385	1.218	(0.250)	1.468	0.000
	1.468	0.385	1.218	(0.250)	1.468	-
Buildings Modifications						
STC	0.016	0.070	0.015	0.000	0.015	(0.001)
Enhanced station facilities	0.500	0.000	0.500	0.000	0.500	0.000
Drill tower replacements	0.711	(0.010)	0.711	0.000	0.711	0.000
Wylfa Prop	0.125	0.000	0.125	0.000	0.125	0.000
Estate Improvement Provision	0.250	0.000	0.250	0.000	0.250	0.000
	1.602	0.060	1.601	-	1.601	(0.001)
ICT						
IT Systems	1.653	0.000	0.888	(0.730)	1.618	(0.035)
	1.653	-	0.888	(0.730)	1.618	(0.035)
Total Capital Requirement	11.744	3.785	9.139	(2.540)	11.679	(0.065)
Funding						
Capital Grant	-	-	-			
Revenue Contributions	4.000		4.000			
Earmarked Reserves	0.364	-	0.364			
Capital Reserves	5.697	3.785	3.092			
Capital Receipts	1.683	-	1.683			
Total Capital Funding	11.744	3.785	9.139			