

Lancashire Combined Fire Authority

Resources Committee

Meeting to be held 3 July 2024

Financial Monitoring 2024/25

(Appendices 1 and 2 refer)

Contact for further information:

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Executive Summary

The report sets out the current budget position in respect of the 2024/25 revenue and capital budgets.

Recommendation

The Committee is asked to note and endorse the year-to-date position in respect of the 2024/25 revenue and capital budgets.

Information

Revenue Budget

Lancashire Fire and Rescue Service's 2024/5 revenue budget has been set at £74.149m. The budget profiled to the end of May 2024 is £16.144m and expenditure for the same period is £15.999m, resulting in a year-to-date underspend of (£0.145m).

The overall underspend position is further broken down between pay and non-pay budgets; there is an underspend of (£0.211) on pay and a £0.066m overspend on non-pay activities.

Whilst two months is a short period to determine any underlying trends it does serve as a guide for further work to identify any potential changes that may impact the outturn position for the year. The main variance relates to pay to report and that is set out below. The year-to-date positions within all departmental budgets are set out in Appendix 1.

Area £'m	Overspend/ (Under spend) to 31 May 23	Reason
Overall Pay	(0.210)	The Pay budget is showing small underspends across a number of areas, but particularly on Grey book staff. This is mainly due to underspending on service

		<p>delivery (0.105), primarily on the On Call Fire Fighters budget. This spend is driven by activity and recruit numbers. Recruits are expected to rise in year, with On Call recruitment vacancies going live during June.</p> <p>Other pay underspending is observed on the Protection and Prevention budget (0.075), which is undergoing a staffing reorganisation, with recruitments planned. Other small staffing vacancies are reported across the organisation and are not expected to be long term.</p>
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Future Pressures

The outcome of the 2024/25 Grey book pay award negotiations resulted in a 4% increase to all basic pay and CPD payments with effect from 1 July 2024. A 3% increase was budgeted. The anticipated pressure for the year is c. £0.300m. Green book pay award negotiations are ongoing and are budgeted at 3%.

Additionally, the employer's contribution rate to the 2015 Firefighters' pension scheme as determined by the scheme actuary has been increased from 28.8% to 37.6%. Additional grant funding has been assumed to offset this pressure.

Capital Budget

The original Capital Programme for 2024/25 is £10.196m. Slippage from 2023/24 of £1.773m has been added to the original budget to give a revised budget of £11.969m. To date £0.206m has been spent, predominantly on wide area network replacements as set out in Appendix 2. This appendix sets out the revised capital programme and committed expenditure position against this, as reflected above.

A broad overview of the programme is set out below: -

Area	Budgeted Items
Operational Vehicles Budget £2.943m	The budget includes initial costs of two water towers, two climate change vehicles and an aerial appliance from previous programmes. It also includes three pumping appliances for the 2024/25 programme.
Other vehicles Budget £0.948m	This budget allows for the replacement of various operational support vehicles including several cars, vans and a beavertail lorry.
Operational Equipment Budget £1.846m	This budget allows for operational equipment purchases including CCTV cameras for appliances and cutting and extrication equipment.

Building Modifications Budget £3.639m	This budget includes the continued programme of Drill Tower Replacements and budget for the initial works to support the upgrade to Preston station.
IT systems Budget £2.593m	This budget includes various projects including upgraded Firewalls, network upgrades and replacement of pooled PPE and stock management systems.

Financial Implications

As outlined in the report

Business Risk Implications

None

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

Legal 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 MAY 24	Revised Annual Budget	Year to Date Budget	Year to Date Total *	Year to Date Variance	Variance Pay	Variance Non-Pay
	£000	£000	£000	£000	£000	£000
Service Delivery						
Service Delivery	40.469	7.817	7.742	- 0.074	- 0.105	0.031
Prevention & Protection	3.556	0.642	0.570	- 0.073	- 0.075	0.003
Covid-19	-	-	-	-	-	-
Control	2.068	2.068	2.068	-	-	-
Youth Engagement (inc Princes Trust)	0.016	0.134	0.114	- 0.020	0.000	- 0.020
Special Projects (ISAR)	0.015	0.002	0.002	0.000	-	0.000
	-	-	-	-	-	-
Strategy & Planning	-	-	-	-	-	-
Service Development	2.183	0.410	0.424	0.015	- 0.001	0.015
Training & Operational Review	4.230	0.963	0.963	- 0.000	- 0.003	0.002
Fleet & Technical Services	3.332	0.656	0.622	- 0.034	- 0.029	- 0.004
Information Technology	3.394	1.374	1.377	0.003	- 0.012	0.016
Digital Transformation	0.897	0.120	0.124	0.005	- 0.004	0.009
	-	-	-	-	-	-
People & Development	-	-	-	-	-	-
Human Resources	0.966	0.159	0.157	- 0.003	- 0.000	- 0.003
Occupational Health Unit	0.310	0.035	0.071	0.036	0.040	- 0.004
Corporate Communications	0.397	0.066	0.079	0.013	0.011	0.002
Safety Health & Environment	0.320	0.051	0.055	0.004	0.002	0.002
	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-
Executive Board	1.222	0.254	0.264	0.011	0.009	0.002
Central Admin Office	0.751	0.109	0.086	- 0.022	- 0.020	- 0.002
Finance	0.212	0.035	0.044	0.009	0.005	0.004
Procurement	0.692	0.153	0.128	- 0.025	- 0.012	- 0.013
Property	4.116	0.814	0.825	0.011	- 0.007	0.018
External Funding	- 0.002	0.010	-	- 0.010	- 0.009	- 0.001
TOTAL DFM EXPENDITURE	69.143	15.871	15.717	- 0.154	- 0.210	0.056
Non DFM Expenditure						
Pensions Expenditure	1.432	0.297	0.298	0.001	-	0.001
Other Non-DFM Expenditure	4.579	- 0.023	- 15.105	-	- 0.000	0.009
NON-DFM EXPENDITURE	6.012	0.273	- 14.808	0.001	- 0.000	0.010
TOTAL BUDGET REQUIREMENT	75.155	16.145	0.910	- 0.153	- 0.211	0.066
Use of Reserves	- 0.006	-	-	-	-	-
NET BUDGET	75.149	16.145	0.910	- 0.153	- 0.211	0.066
	<small>* Note Year to Date Total includes actual expenditure and income and encumbrances</small>					

Appendix 2

Original Programme 24/25	Original Programme 24/25	Slippage 23/24 - Move to 2024/25	Adjustments	Revised Programme	Actual as at 31st May 2024
Vehicles					
Operational Vehicles	2.548	0.395	-	2.943	0.003
Support Vehicles	0.621	0.327	-	0.948	(0.003)
	3.169	0.722	-	3.891	0.001
Operational Equipment					
Operational Equipment	1.269	0.577	-	1.846	0.001
	1.269	0.577	-	1.846	0.001
Buildings Modifications					
Update Preston Facilities	0.500	-	-	0.500	0.004
Development & Land Acquisition	0.340	-	-	0.340	-
Blackpool Dormitory	0.834	-	-	0.834	0.008
Drill tower replacements	1.155	0.053	-	1.208	0.028
Wylfa Prop	0.125	-	-	0.125	-
Estate Improvement Provision	0.579	0.053	-	0.632	0.010
	3.533	0.106	-	3.139	0.046
ICT					
IT Systems	2.225	0.368	-	2.593	0.154
	2.225	0.368	-	2.593	0.154
Total Capital Requirement	10.196	1.773	-	11.969	0.201
Funding					
Capital Grant	-	-	-	-	-
Borrowing	-	-	-	-	-
Revenue Contributions	2.500	-	-	2.500	0.206
Earmarked Reserves	-	-	-	-	-
Capital Reserves	7.696	1.773	-	9.469	-
Capital Receipts	-	-	-	-	-
Total Capital Funding	10.196	1.773	-	11.969	0.206