

Lancashire Combined Fire Authority

Resources Committee

Meeting to be held on 3 July 2024

Financial Monitoring - Provisional Outturn 2023/24

(Appendix A-D refers)

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

Executive Summary

This report presents the financial outturn position for 2023/24, and the impact of this on usable reserves. The revenue outturn position shows an overspend of £0.382m which is broadly in line with previous forecasts. The Capital outturn expenditure for the year is £6.034m.

Recommendation

The Committee is asked to:

- Note the Revenue Budget provisional revenue outturn set out in paragraph 2.
- Note and endorse the receipt and proposed use of grant funding set out in paragraph 4.
- Note the Capital Budget provisional outturn set out in paragraph 7.
- Note and endorse the revised Capital Budget for 2024/25 set out in paragraph 8.
- Note and endorse the transfer to earmarked reserves set out in paragraph 6 and year end reserve levels.

1. This report presents the financial outturn position for 2023/24, and the impact of this on usable reserves. The draft 2023/24 financial statements will be prepared using this provisional information and presented to the External Auditors in July for Audit. Following completion of their audit they will be presented to the Audit Committee for approval.

Revenue Provisional Outturn

2. The annual budget for the year was set at £68.183m. The provisional outturn position shows net expenditure of £68.565m, giving a total overspend for the financial year of £0.382m, which is broadly in line with previous forecasts presented to the Resources Committee.
3. The detailed provisional revenue outturn is set out in Appendix A. The pay budget was broadly on budget, the major non-pay variances are summarised below:

Area	Overspend/ (Underspend) £m	Reason
Fleet	0.133	The overspend is mainly due to the increased cost of repairs and inflationary pressures on the supply of parts for vehicle and equipment repairs. It is hoped that repair costs will

Area	Overspend/ (Underspend) £m	Reason
		reduce in 2024/25 as older stock has been replaced.
Property	(0.150)	The underspend is due to lower utility costs than budgeted during the winter period.
Apprenticeship Levy Funding	0.248	As previously reported the Apprenticeship Levy income for the year is lower than budgeted due to a reduction in the number of recruits meeting the eligibility criteria for funding. This ongoing pressure was included in the 2024/25 budget.
Training Centre – non pay	0.154	As previously reported, due to vacancies in the Training Centre, the department has had to appoint more associate trainers than budgeted to meet the training needs of the service; this includes driver training and specialist training such as swift water rescue as a result of the Emergency Cover Review (ECR). This pressure is offset by vacancies.

4. In March a grant of £0.245m was received from the Home Office to fund research activity managed by the National Fire Chiefs Council (NFCC). This will be grant funded to the NFCC in 2024/25.

General Reserve

5. The General Reserve exists to cover unforeseen risks and expenditure that may be incurred outside of planned budgets. In February the Authority approved the minimum level of General Reserve as advised by the Treasurer at £3.75m. Following the provisional outturn the level of the General Reserve at 1 April 2024 is £4.918m, this is above the minimum level of General Reserve set by the Authority.

Earmarked Reserves

6. Earmarked reserves are all funds that have been identified for a specific purpose. Appendix B sets out the proposed transfers to earmarked reserves for approval of £0.532m. The balance of all the earmarked reserves is £28.813m as at the 31 March 2024; this includes the Capital Reserve of £20.344m and Private Finance Initiative (PFI) reserves of £4.918m.

Capital Budget Provisional Outturn

7. The revised Capital Budget for 2023/24 was £7.769m. Total capital expenditure for the year was £6.034m, with slippage of (£1.772) proposed to be transferred to the 2024/25 Capital Budget. The table below sets out the provisional outturn for the main programmes and projects and Appendix C sets out the detailed provisional outturn.

Area of Spend (£m)	23/24 Budget	Actual Exp	Slippage	(Under) /Overspend	Explanation
Operational Vehicles	4.302	3.925	(0.403)	0.027	In year expenditure reflects the planned purchase of <ul style="list-style-type: none"> • 11 Fire Appliances. • One Aerial Appliance. • Three Command units. • Two Technical Rescue Units. Slippage is due to longer than expected lead times for the climate change vehicle, ATV and Foam Pod.
Support Vehicles	0.925	0.598	(0.327)	0.000	In year expenditure reflects the planned purchases of: <ul style="list-style-type: none"> • One electric vehicle for BA Support Services. • 13 Cars. • 5 pickups. Slippage relates to longer lead in times.
Operational Equipment	1.298	0.731	(0.568)	0.001	In year expenditure relates to Road Traffic Collision (RTC) Rescue Equipment tools and charging units, an underwater drone, CCTV on operational vehicles and thermal imaging cameras. Slippage relates to RTC cutting equipment and CCTV on appliances.
Buildings	0.351	0.255	(0.106)	0.010	Expenditure in the year relates to <ul style="list-style-type: none"> • Upgrade of dormitory facilities at Hyndburn. • Work to the fleet workshop at Training Centre. • Completion of drill tower replacements at Tarleton, Blackpool and Boulton le Sands, which was now in use. Slippage relates to drill tower replacements and estate improvements.
ICT Systems	0.893	0.525	(0.368)	0.000	Software expenditure in year includes: <ul style="list-style-type: none"> • Dynamic Coverage Tool. • Command Support Software.

Area of Spend (£m)	23/24 Budget	Actual Exp	Slippage	(Under) /Overspend	Explanation
					Hardware expenditure in year includes: <ul style="list-style-type: none"> Vehicle Mounted Data Solutions. Software slippage includes RDS/Alerter software and Learning Management and System Incident ground Radios.
Total	7.769	6.034	1.772	0.038	

8. The original approved capital programme for 2024/25 was £10.196m. This has been updated for £1.772 of slippage outlined previously giving a revised Capital Budget for 2024/25 of £11.969m. The revised 2024/25 Capital Budget and funding is set out in Appendix D.

Financial Implications

9. As outlined in the report

Legal Implications

10. None

Business Risk Implications

11. None

Environmental Impact

12. None

Equality and Diversity Implications

13. None

Human Resource Implications

14. None

Local Government (Access to Information) Act 1985

List of background papers NA

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

Appendix A: Revenue Budget Monitoring Statement

Appendix B: Transfers to Earmarked Reserves

Appendix C: Capital Budget Monitoring Statement

Appendix D: Capital Budget 2024/25

Revenue Budget Monitoring Statement

BUDGET MONITORING STATEMENT OUTTURN 2023/24	Revised Annual Budget	Year to Date Budget	Year to Date Actual	Year to Date Variance	Variance Pay	Variance Non- Pay
	£M	£M	£M	£M	£M	£M
Service Delivery						
Service Delivery	38.462	38.462	38.609	0.146	0.346	- 0.200
Prevention & Protection	3.122	3.122	2.912	- 0.210	- 0.233	0.023
Covid-19	-	-	-	-	-	-
Control	1.610	1.610	1.672	0.062	-	0.062
Youth Engagement (inc Princes Trust)	0.007	0.007	0.014	0.007	0.005	0.002
Special Projects (ISAR)	0.014	0.014	0.000	- 0.014	-	- 0.014
	-	-	-	-	-	-
Strategy & Planning	-	-	-	-	-	-
Service Development	1.854	1.854	1.888	0.034	0.049	- 0.014
Training & Operational Review	4.490	4.490	4.427	- 0.063	- 0.466	0.403
Fleet & Technical Services	3.371	3.271	3.566	0.195	0.062	0.133
Information Technology	3.254	3.254	3.324	0.070	0.013	0.058
Digital Transformation	0.576	0.576	0.604	0.027	0.053	- 0.025
	-	-	-	-	-	-
People & Development	-	-	-	-	-	-
Human Resources	0.958	0.958	0.893	- 0.065	- 0.089	0.024
Occupational Health Unit	0.295	0.295	0.312	0.017	0.035	- 0.019
Corporate Communications	0.376	0.350	0.426	0.050	0.055	- 0.005
Safety Health & Environment	0.263	0.263	0.308	0.045	0.055	- 0.010
	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-
Executive Board	1.078	1.078	1.239	0.161	0.177	- 0.016
Central Admin Office	0.843	0.843	0.620	- 0.223	- 0.233	0.010
Finance	0.194	0.194	0.205	0.011	0.011	0.000
Procurement	0.723	0.723	0.925	0.201	0.211	- 0.009
Property	3.851	3.977	3.667	- 0.184	- 0.034	- 0.150
External Funding	- 0.007	- 0.007	0.003	0.010	- 0.009	0.019
TOTAL DFM EXPENDITURE	65.336	65.336	65.614	0.279	0.009	0.270
Non DFM Expenditure						
Pensions Expenditure	1.399	1.399	1.290	- 0.109	-	- 0.109
Other Non-DFM Expenditure	1.758	1.758	1.660	- 0.098	0.012	- 0.110
NON-DFM EXPENDITURE	3.157	3.157	2.951	- 0.207	0.012	- 0.219
TOTAL BUDGET REQUIREMENT	68.493	68.493	68.565	0.072	0.021	0.051
Use of Reserves	- 0.310	- 0.310	-	0.310	0.310	-
NET BUDGET	68.183	68.183	68.565	0.382	0.021	0.361

Transfers to Earmarked Reserves

Year End Transfers to Earmarked Reserves:

Transfers to Budget Holders Earmarked Reserves	£m
Procurement – to fund structural PPE not yet delivered.	0.024
Property – delay in committed planned maintenance works.	0.408
Fleet – to fund operational equipment planned for replacement in 2023/24.	0.100
	0.532

Capital Budget Monitoring Statement

CAPITAL BUDGET 2023/24	2023/24 Revised Prog	Year End Outturn	Slippage to future years	Over/ (Under) Spend
Vehicles				
Operational Vehicles	4.302	3.925	(0.395)	0.027
Support Vehicles	0.925	0.598	(0.327)	0.000
	5.227	4.523	(0.722)	0.027
Operational Equipment				
Operational Equipment	1.298	0.731	(0.577)	0.001
	1.298	0.731	(0.577)	0.001
Buildings Modifications				
STC	0.016	0.019	(0.000)	0.003
Enhanced station facilities	0.028	0.035	(0.000)	0.007
Drill tower replacements	0.156	0.103	(0.053)	0.000
Estate Improvement Provision	0.151	0.098	(0.053)	0.000
	0.351	0.255	(0.106)	0.010
ICT				
IT Systems	0.893	0.525	(0.368)	0.000
	0.893	0.525	(0.368)	0.000
Total Capital Requirement	7.769	6.034	(1.773)	0.038
Funding				
Capital Grant	-			
Revenue Contributions	4.170	4.170		
Earmarked Reserves	0.364	0.266		
Capital Reserves	1.544			
Capital Receipts	1.691	1.598		
Total Capital Funding	7.769	6.034		

Capital Budget 2024/25

(£m)	2024/25 Original Budget	Slippage from 2023/24	2024/25 Revised Budget
Vehicles			
Operational Vehicles	2.548	0.395	2.943
Support Vehicles	0.621	0.327	0.948
	3.169	0.722	3.891
Operational Equipment			
Operational Equipment	1.269	0.577	1.846
	1.269	0.577	1.846
Buildings			
Update Preston Facilities	0.500	-	0.500
Development & Land Acquisition	0.340	-	0.340
Blackpool Dormitory	0.834	-	0.834
Drill tower replacements	1.155	0.053	1.208
Wylfa Prop	0.125	-	0.125
Estate Improvement Provision	0.579	0.053	0.632
	3.533	0.106	3.139
ICT			
IT Systems	2.225	0.368	2.593
	2.225	0.368	2.593
Total Capital Requirement	10.196	1.773	11.969
Funding			
Revenue Contributions	2.500	-	2.500
Capital Reserves	7.696	1.773	9.469
Total Capital Funding	10.196	1.773	11.969