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**REPORT AUTHOR: ASSISTANT CHIEF OFFICER / FRA TREASURER****SUBJECT: 2023/24 REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING as at 31st May 2023**

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For further information on this Report contact: Gavin Chambers, ACO/FRA Treasurer

Background Papers: 2023/24 FRA Budget Setting Papers February 2023

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**Implications:**

This table provides a short statement of the impact of the recommendations in this report and/or a reference to the relevant paragraph/s in the report.

Will this report affect any of the following?

<b>Implications</b>	<b>Yes/No</b>	<b>Impact/Reference</b>
Financial	Yes	Report covers in year revenue and capital budget monitoring, detailing over and underspends.
Risk Management	Yes	The financial position of the Authority is a core item in the risk register. The proposed allocation to the Pay/Pensions reserve assists in financial risk mitigation.
Legal	No	
Privacy and Security	No	
Duty to collaborate	Yes	The proposed allocation to the Transformation Reserve and work on Workshops and Training will support this duty.
Health and Safety	No	
Equality, Diversity and Inclusion	No	
Environmental Sustainability	No	
Consultation and Communication	No	

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## **PURPOSE:**

To inform the Fire and Rescue Authority of the forecast year-end (31<sup>st</sup> March 2024) budget monitoring position as at 31<sup>st</sup> May 2023.

## **Recommendations:**

1. That the FRA consider and comment on the updates provided within this report.
2. That the FRA note the receipt of Business Rates income from central government in excess of budget.
3. That the FRA note the receipt of Services Grant from central government above the budget.
4. That the FRA note the unbudgeted Protection uplift Grant for 2023/24.
5. That the FRA note the forecast increase in Investment income.
6. That the FRA agree to apportion equally the forecast underspend to the Transformation Reserve and Pay/Pensions Reserve.

## **Executive Highlights Summary**

- The Authority has been informed by the Department of Levelling Up Housing and Communities (DLUHC) that it will receive a further £460k above the budgeted amount in relation to Business Rates Section 31/Tariff top-up Payments, following the Government's final confirmation for 2023/24 after February's budget setting. (see para 2.3.5)
- That members note the increase in Services Grant of £9k (£231k up to £240k) following the Government's final confirmation for 2023/24. (para 2.3.5)
- The Home Office has informed the service that we will receive an unbudgeted Protection grant of £153k in 2023/24.
- That members note the increase in forecast income from investments of (£180k) above the budgeted figure of (£195.4k) as at the end of May. This is due to effective cash flow and investment management by the Finance Team, combined with continued higher than forecast rates available on investments. (para 2.3.5)
- That members note the forecast underspend in non-operational staffing area due to current vacancies (£63.4k). (see para 2.3.6)
- It is recommended to agree in principle, an equal apportionment of the forecast underspend/final underspend, between the Transformational Reserve and the Pay/Pensions reserve as noted in para 2.4 below.

### **1. Introduction**

- 1.1 On 2 February 2023, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2023/24 of £34.898m and a Capital Programme of £2.258m.

- 1.2 For new FRA Members, to provide some background information on the setting of the 2023/24 budget, the link below provides detail on the setting of the 2023/24 budget by the FRA in February 2023. As well as council tax setting, the revenue and capital budgets were approved including some use of reserves. Please refer to item agenda item **22-23/FRA/69**.

[Agenda for Fire and Rescue Authority on Thursday, 2nd February, 2023, 10.00 am | Bedfordshire Fire and Rescue Service \(\[moderngov.co.uk\]\(https://www.moderngov.co.uk\)\)](#)

## 2. Revenue Budget Monitoring

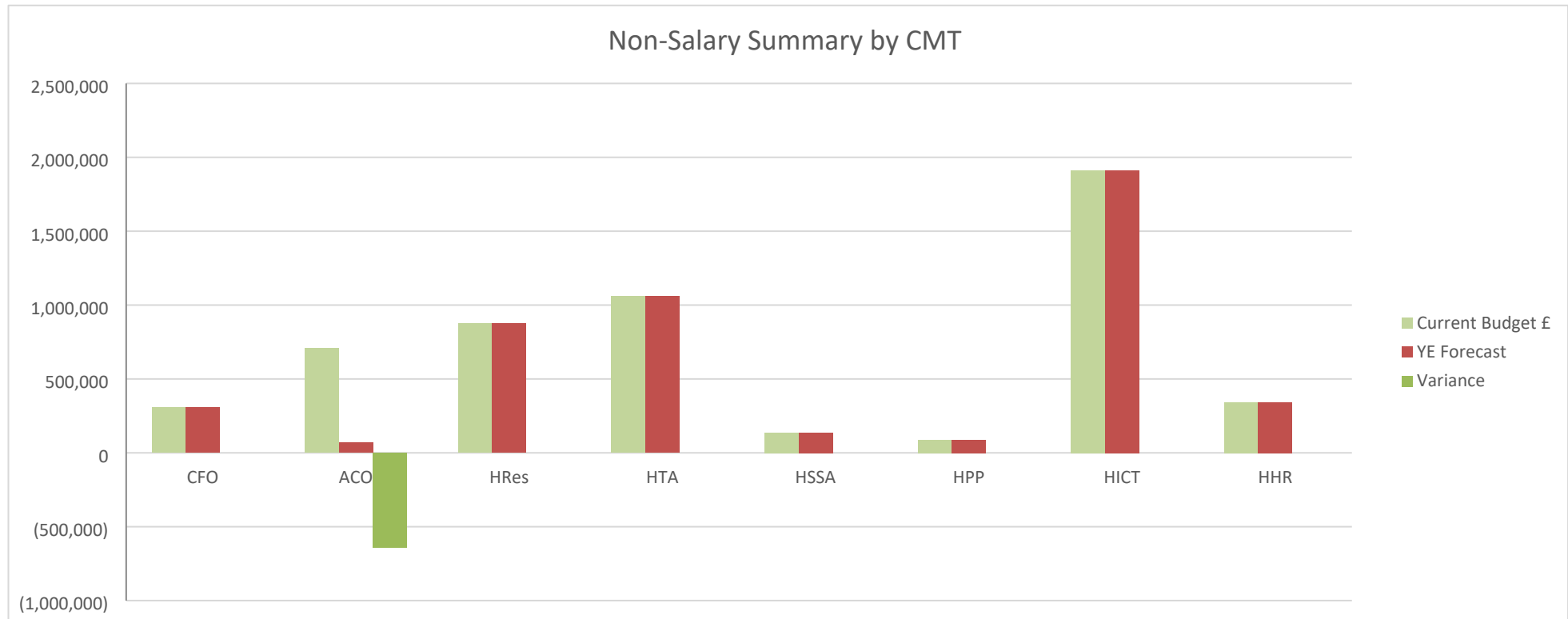
- 2.1 The Revenue Budget efficiency savings for 2023/24 can be found in Appendix 1 of this report. The budgets have been reduced for these areas and will be monitored during the year with any changes reported to the FRA.
- 2.2 The funding of the 2023/24 Revenue Budget as set by the FRA in February 2023, by way of Government Funding £7.334m, local Business Rates redistribution £2.888m, a one off revenue grant for 2023/24 of £0.231m and Council Tax of £25.043m off set by Collection Fund deficit of (£0.598m) which have been reported by our Local Authority partners.
- 2.3 **Forecasting Outturn:**
  - 2.3.1 Tables 1 and 2 below are populated during the year in line with the spreadsheet returns that Corporate Management Team (CMT) members submit to the Finance Team and through the meetings that Finance Officers have with CMT members.
  - 2.3.2 There has been a light touch budget monitoring process undertaken for the forecast year end position as at 31<sup>st</sup> May 2023. This is due to the Finance Team working on the 2022/23 Statement of Accounts whilst at the same time, working on updates to the 2021/22 Statement of Accounts and being externally audited on these. Both of these key documents were presented to the Audit & Standards Committee on 6<sup>th</sup> July 2023. There is a vacancy within the Finance Team too that has proved difficult to recruit into.
  - 2.3.3 Table 1 below details the current budget excluding salary budgets, for each CMT service area. The forecast year-end outturn variance is shown in column five. The actual figures/column is not shown at this early stage in the year due to year end impacts from 2022/23 creditor and debtor accruals.

2.3.4 Table 1: 2023/24 Revenue Budget Forecast Outturn (excluding salary budgets)

Title	Area	Current Budget £	F/cast Yr-End Outturn £	Variance £	RAG status (see note below**)
<b>Strategic Management</b>	Management	308,400	308,400	0	Green
<b>Assistant Chief Officer</b>	Income, Capital & Year End	195,200	(453,800)	(649,000)	Green
	Corporate Support	512,900	512,900	0	Green
<b>Head of Response</b>	Operational	875,800	875,800	0	Green
<b>Head of Training and Assets</b>	Training	388,500	388,500	0	Green
	Technical/Workshops	387,700	387,700	0	Green
	Corporate Support	284,100	284,100	0	Green
<b>Head of Strategic Support and Assurance</b>	Media & Comms	16,400	16,400	0	Green
	Organisation Assurance	119,600	119,600	0	Green
<b>Head of Prevention and Protection</b>	Partnership Working	(60,100)	(60,100)	0	Green
	Prevention	136,700	136,700	0	Green
	Protection	10,700	10,700	0	Green
<b>Head of Information Communications Technology</b>	ICT	1,912,000	1,912,000	0	Green
<b>Head of Human Resources</b>	Human Resources	270,800	270,800	0	Green
	Occupational Health	70,800	70,800	0	Green
<b>Total</b>		<b>5,429,500</b>	<b>4,780,500</b>	<b>(649,000)</b>	

\*\*RAG Status: Red would identify where there is a large overspend equal to or greater than £100,000 and/or a key service aspect was not being delivered. Amber would identify where there is a possibility of an overspend and/or a key service aspect may not be delivered. It may be

that there are action plans in place to address an issue, where until they are successful it is flagged as Amber. Green identifies where service delivery is being performed and as above, where there are underspends. Underspends are not necessarily always green, if for example, there was a key service aspect not being delivered causing the underspend, it would be shown as Red.



2.3.5 The variances shown in Table 1 and graph above as at 31<sup>st</sup> May 2023 are;

The forecast underspend (£649k) within the ACO area (Income, Capital & Year End) above is a result of;

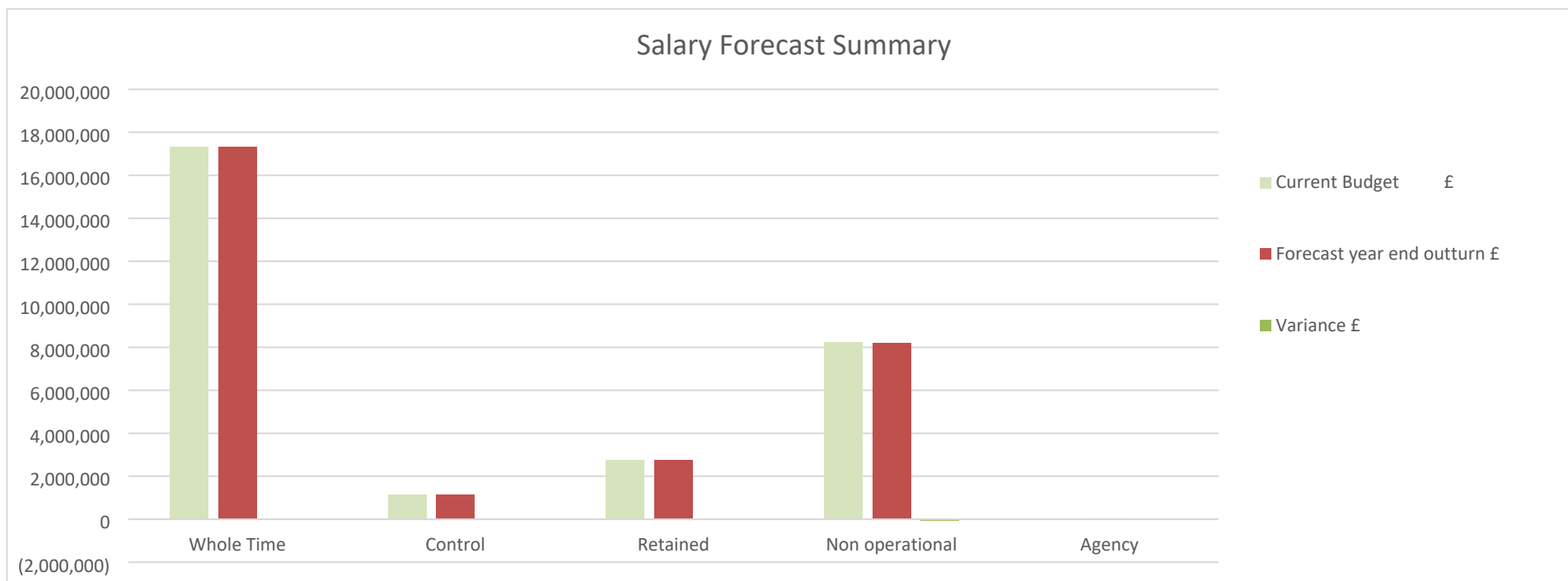
A forecast increase for investment income to (£375.4k), this is (£180k) above the budgeted income of (£195.4k) which is due continued high rates for investments available to the service as a result of the current economic situation. A further £460k is due to an increase of Section 31 Tariff top-up Payments, following the Government’s final confirmation for 2023/24 and that the Service Grant would be £9k higher than budgeted for in 2023/24.

The service has also been informed that the will receive £153k for the Protection Uplift grant in 2023/24, this will be utilised in year with any unused grant carried forward into 2024/25 to support the Protection activities of the service. Therefore, a nil forecast year end position.

With the salary budgets being such a large proportion of the overall budget, the split from the budgets above is justified.

**Table 2: 2023/24 Salary Budget Forecast Outturn**

<b>Category</b>	<b>Current Budget £</b>	<b>Forecast year end outturn £</b>	<b>Variance £</b>
Whole Time	17,323,200	17,323,200	0
Control	1,118,000	1,118,000	0
Retained	2,753,600	2,753,600	0
Non operational	8,236,400	8,173,000	(63,400)
Agency	37,200	37,200	0
<b>Grand Total</b>	<b>29,468,400</b>	<b>29,405,000</b>	<b>(63,400)</b>



2.3.6 As at 31<sup>st</sup> May 2023 there are no forecast salary over or underspends within the whole time, retained or control areas.

The underspend within the non-operational areas is as a result of a vacancies within Head of Human Resources (£35k), Facilities and Office Services (£9.4k), and ICT (£19k), it is expected that these vacancies will be filled during the year. Some vacancies as noted above, have proved difficult to recruit into.

#### 2.4 Total Forecast Outturn, Salary and Non-Salary:

2.4.1 The total forecast variance at year-end including both the non-salary figure in Table 1 above and for pay and on costs, including agency staff shown in Table 2, is currently expected to be (£712.4k) underspent. As noted above, it is proposed for consideration and approval that this is allocated to the Transformation and Pay/Pension Reserves.

2.4.2 The £1m Pay/Pensions reserve previously set up in a prior year, was much needed and allocated when setting the 2023/24 budget. This was on the back of firefighter pay awards being in excess of those budgeted. At the 2022/23 year end, the final balance on this reserve was £1.126m, therefore only £0.126m remaining after the budgeted 2023/24 use.

2.4.3 With the current uncertainty of future pay awards for both operation and non-operational staff, and of employer pension contributions, it is proposed to allocate half of the forecast year end underspend to this.

2.4.4 It is proposed to allocate the remaining balance to the Transformation Reserve. FRA members will be familiar with the 2023/24 Community Risk Management Plan (CRMP) action plan and workstreams within as part of the 2023 to 2027 CRMP document. To expedite this work, it is proposed to allocate further funds to support this. For example, to fund the external property consultancy works which will assist with the development of our Estates Strategy by identifying the best options for investing in new sites or redeveloping existing sites. Also, to support additional resourcing to enable work to take place in a timely manner, such as a review of Workshops, Training Centre, Emergency Cover review etc.

### 3. Capital Programme Monitoring

3.1 Table 3 below is the 2023/24 Capital Programme. The Red, Amber, Green (RAG) status indicates how well the schemes are progressing (Green being on target for year-end completion within budget; Amber indicating possible slippage or overspend; and Red indicating actual slippage/overspend or deletion of the scheme).

3.2 It should be noted that the Vehicles, ICT and HR System Projects and Property Capital Works Programmes need to be treated with fluidity as the costs and expected completion dates can vary considerably and span across financial years. However, in accordance with the financial regulations, any significant changes of expenditure over 10% of an approved capital scheme need to be reported back to the FRA.

### 3.3 Table 3: The 2023/24 Capital Programme

CMT Area	Bedfordshire Fire and Rescue Authority Capital Programme	Capital Budgets 2023/24 £'000	RAG Status
	<b><u>Fleet:</u></b>		
HTAM	Fire Appliances (x5 Chassis Payment & stage payment)	750	Green
HTAM	Thermal Imaging Cameras (TIC)	300	Green
HTAM	Vehicles	65	Green
	<i>Sub total Fleet £1.115m</i>		
	<b><u>Property Works service wide</u></b>		
ACO	Various: Lighting replacements, CCTV, fire protection, doors & windows, security gates, electrical infrastructure, Electric Vehicle charging points	354	Amber
ACO	Major Roofing Replacements	371	Amber
ACO	Drill yard resurfacing	14	Green
ACO	WC/Shower facility refurbishments	25	Amber
ACO	Heating - boiler replacements	30	Green



ACO	Dormitory refurbishment	23	Green
ACO	Station Kitchen Refurbishments	8	Green
ACO	Electric Infrastructure/Photovoltaic Tiles/Solar panels	81	Green
ACO	Equality, Diversity & Inclusion (predominantly toilet and shower facilities, also access, prayer rooms)	112	Green
ACO	Steel Masts & Drill Towers	110	Green
	<i>Sub total Property £1.128m</i>		
	<b><u>Other:</u></b>		
ACO	Fitness Equipment Expenditure	15	Green
	<b>TOTAL</b>	<b>2,258</b>	

The Amber items above within the Property works service wide capital programme are currently rated as Amber due to current capacity issues within the Procurement team to be able to support all of the current in-year projects across the service. The team is currently recruiting additional fixed term support to address this. This will be funded in year from the current budgeted transformational pot.

#### 3.4 Capital Programme Updates:

3.4.1 **Slippage:** None to Report.

3.4.2 **Additions:** None to Report.

3.4.3 **Variations:** None to Report.

**ANDREW HOPKINSON**  
CHIEF FIRE OFFICER

**GAVIN CHAMBERS**  
ASSISTANT CHIEF OFFICER / FRA TREASURER

CMT Area	Savings/Efficiencies & Income Generation	Budgeted £'000s 2023/24	Forecast £'000's 2023/24	RAG Status
	<b><u>Savings And Efficiencies</u></b>			
ACO	Energy Management Savings	10	10	Green
ACO	Protection discount due to investment of 360 degree cameras on front line vehicles	3	3	Green
ACO	Surplus redistribution from the Fire & Rescue Indemnity Company (FRIC) - over estimated 22/23	(20)	(20)	Green
ACO	Saving as a result of brining cleaning back in-house	40	40	Green
HICT	Cessation Whole-time Recruitment system	4	4	Green
HICT	Change of provider for the procurement framework. Move to be part of the NFCC blue light collaboration hub.	9	9	Green
HTAM	ASPIRE Leadership Programme	2	2	Green
HTAM	FF Apprenticeship residential element removal	35	35	Green
HTAM	Proposal for Internal testing of Technical equipment	5	5	Green
HTAM	Reduced use of external Compartment fire behaviour training	15	15	Green
HTAM	To continue to have two Crew Commanders in the instructor pool (generating savings)	12	12	Green
	<b><u>Income Generation</u></b>			
ACO	Increase in Investment Income through continued and robust cash flow management, combined with higher interest rates gained	130	130	Green
HSSA	Income towards Communications Team (Digital support to Staywise)	15	15	Green
HTAM	Continue to be a supportive provider through Herts FRS. This could be developed to become an apprenticeship provider and increase income generation opportunity (Recruits Training).	30	30	Green
HTAM	Continue to develop the driver training provision to generate income from delivery of various courses including the emergency driver instructor course	30	30	Green
HTAM	Continued delivery of driving courses for other services including Light Vehicle Response Driver (LVRD) and instructor courses.	27	27	Green
HTAM	Income from Workshops Non business Activity	5	5	Green
HRes	Income from cross boarder charging with neighbouring FRS's	10	10	Green
		<b>362</b>	<b>362</b>	

\* NB - All have been reflected in the 2023-24 Base Budget