
REPORT AUTHOR: ASSISTANT CHIEF OFFICER / FRA TREASURER

SUBJECT: 2023/24 REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING as at 31st October 2023

Background Papers: 2023/24 FRA Budget Setting Papers February 2023 and 2023/24 Revenue Budget and Capital Programme Monitoring as at 31 May 2023

Appendix	Title	Protective Marking
1	Bedfordshire Fire and Rescue Authority 2023/24 Savings/Efficiencies (S/E) & Income Generation (I/G)	None

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?

Implications	Yes/No	Impact/Reference
Financial	Yes	Report covers in year revenue and capital budget monitoring, detailing over and underspends.
Risk Management	No	
Legal	No	
Privacy and Security	No	

Duty to collaborate	No	
Health and Safety	No	
Equality, Diversity and Inclusion	No	
Environmental Sustainability	No	
Consultation and Communication	Yes	The 2024/25 budget/council tax consultation question is included in the report

PURPOSE:

To inform the Fire and Rescue Authority of the forecast year-end (31st March 2024) budget monitoring position as at 31st October 2023 and to also consider the 2024/25 budget/council tax consultation question.

Recommendations:

1. That the FRA consider and comment on the updates provided within this report and the forecast year end position.
2. That the FRA consider and approve, in this financial year, the early purchase of four response vehicles currently scheduled for 2024/25.
3. That the FRA note that the unbudgeted expenditure on kitchens is due as a result of Environmental Audits and covered by Earmarked Reserves.
4. To review and approve the 2024/25 budget consultation question in paragraph 4.

Executive Highlights Summary

- The Authority has previously been advised 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 2.8).
- The Authority has previously been advised of increase in Services Grant of £9k (£231k up to £240k) following the Government's final confirmation for 2023/24. (para 2.8)
- As previously reported the Home Office has informed the service that we will receive an unbudgeted Protection grant of £153k in 2023/24. (para 2.8)

- That members note the increase in forecast income from investments of (£707k) above the budgeted figure of (£195.4k) as at the end of October. The forecast (£903k) investment income is due to effective cash flow and investment management by the Finance Team, combined with continued higher than forecast rates available on investments. (para 2.8).
- That members note the forecast overspend £347k in staffing areas is due to various factors outlined below. (para 2.9).
- It was agreed by the FRA in July 2023, that if there is a year-end underspend, it would be equally apportioned between the Transformational Reserve and the Pay/Pensions reserve.

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

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:**

- 2.4. 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.

- 2.5. There is regular financial monitoring of actuals versus budget, tracking variance values and reasoning which gives support in validating the forecast year end position per as per Table 1.
- 2.6. 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 six.

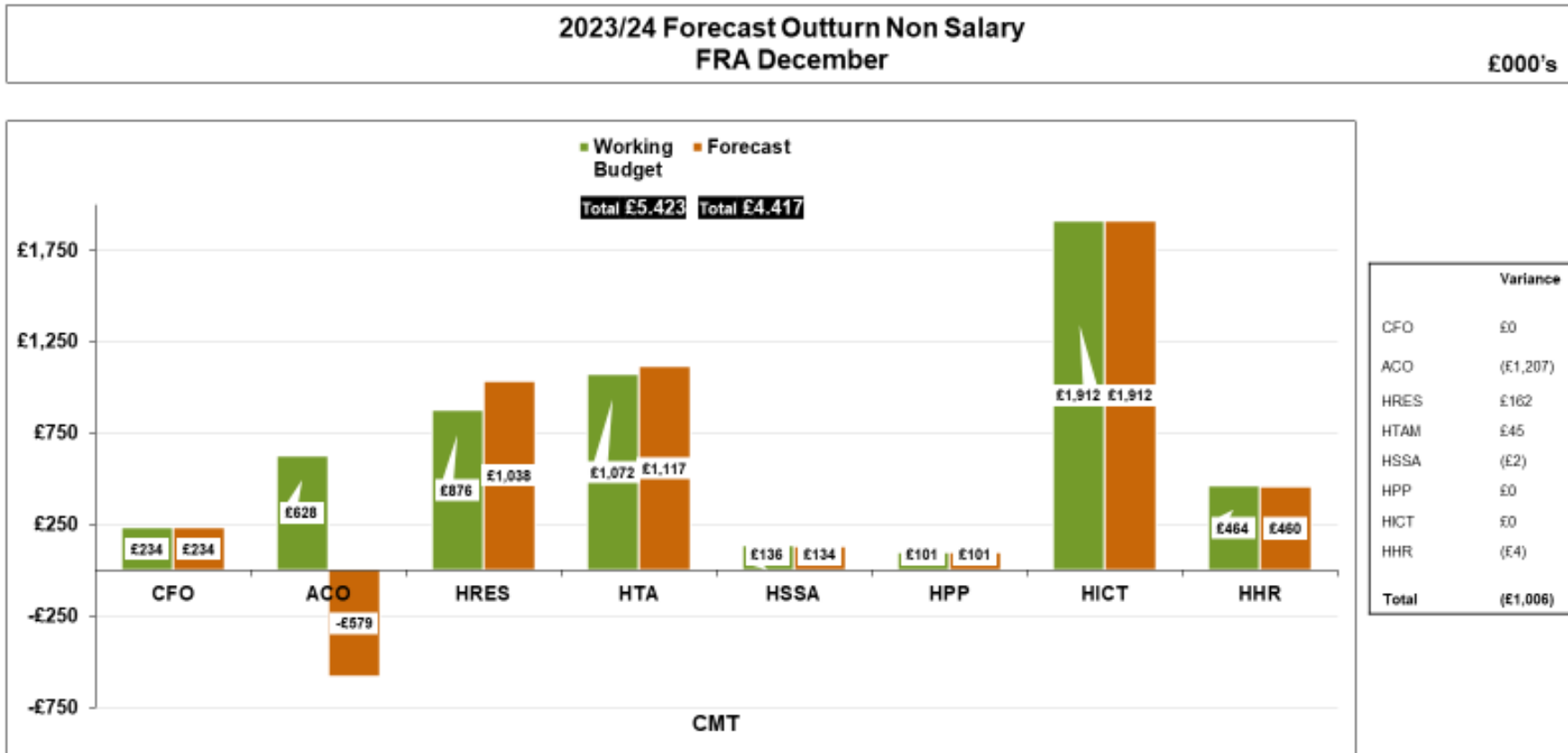
2.7. Table 1: 2023/24 Revenue Forecast Outturn Non Salary

Title	Area	Working Budget £	YTD Actuals £	F/cast Yr-End Outturn £	Variance £	RAG status (see note below**)
Strategic Management	Management	233,900	67,586	233,900	0	
Assistant Chief Officer	Income, Capital & Year End	67,226	(116,412)	(1,114,247)	(1,181,473)	
	Corporate Support	560,900	(552,734)	534,999	(25,901)	
Head of Response	Operational	875,800	649,441	1,037,821	162,021	1
Head of Training and Assets	Training	400,530	247,578	400,530	0	
	Technical/Workshops	387,700	307,663	429,449	41,749	2
	Corporate Support	284,100	117,238	287,051	2,951	
Head of Strategic Support and Assurance	Media & Comms	16,100	17,580	16,100	0	
	Organisation Assurance	119,600	85,335	117,800	(1,800)	
Head of Prevention and Protection	Partnership Working	(60,100)	(141,624)	(60,100)	0	
	Prevention	150,700	70,624	150,700	0	
	Protection	10,700	(228,834)	10,850	150	
Head of Information Communications Technology	ICT	1,912,300	1,376,712	1,912,300	0	
	Business Improvement Team	0	8,812	0	0	
	ICT Projects	0	(665,418)	0	0	
Head of Human Resources	Human Resources	327,300	50,456	323,558	(3,742)	
	Occupational Health	136,800	31,240	136,800	0	
Total		5,423,556	1,325,242	4,417,511	(1,006,045)	

1 & 2; details in para. 2.8 below

**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.

2023/24 Revenue Forecast Outturn Non Salary



2.8. The underspend (£1,006k) shown in Table 1 and chart above as at 31st October 2023 is made up of;

Assistant Chief Officer (£1,207k);

Interest income (£707k) variance, this was budgeted at (£194k) with the revised forecast now (£903k) due to continued high rates for investments available to the service because 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. In addition, a reimbursement has been received for a seconded officer.

Head of Response £162k; per number 1 in Table 1

Continuing high costs of energy are still in excess of our revised budget which included additional inflationary allowance of £291k. However, market forecast trends are beginning to show signs of decreasing at wholesale levels, but this takes time to filter down to retail level. Actual published inflationary rates for October 4.6% (September 6.7%). More detailed analysis under way for 2024/25 budget. **Adverse to budget;** Diesel £30k, Electricity £68k, Gas £28k, Repairs & Maintenance £32k, Communication/Events £12k, Control Income £15k & Misc. £11k **totalling £196k. Positive to budget;** Rates (£30k) and Misc. (£4k) **totalling (£34k), Overall adverse net effect £162k.**

Head of Training & Assets £45k; per number 2 in Table 1

The overspend is a combination of inflationary effects and increased cost of spare parts plus more maintenance needed on an ageing fleet. Inflation on vehicle parts is estimated to be in the region of 8% to 12%.

In addition, the Service Grant will be £9k higher than budgeted for in 2023/24. The service has also been informed that they 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 (86%), the split from the budgets above is justified.

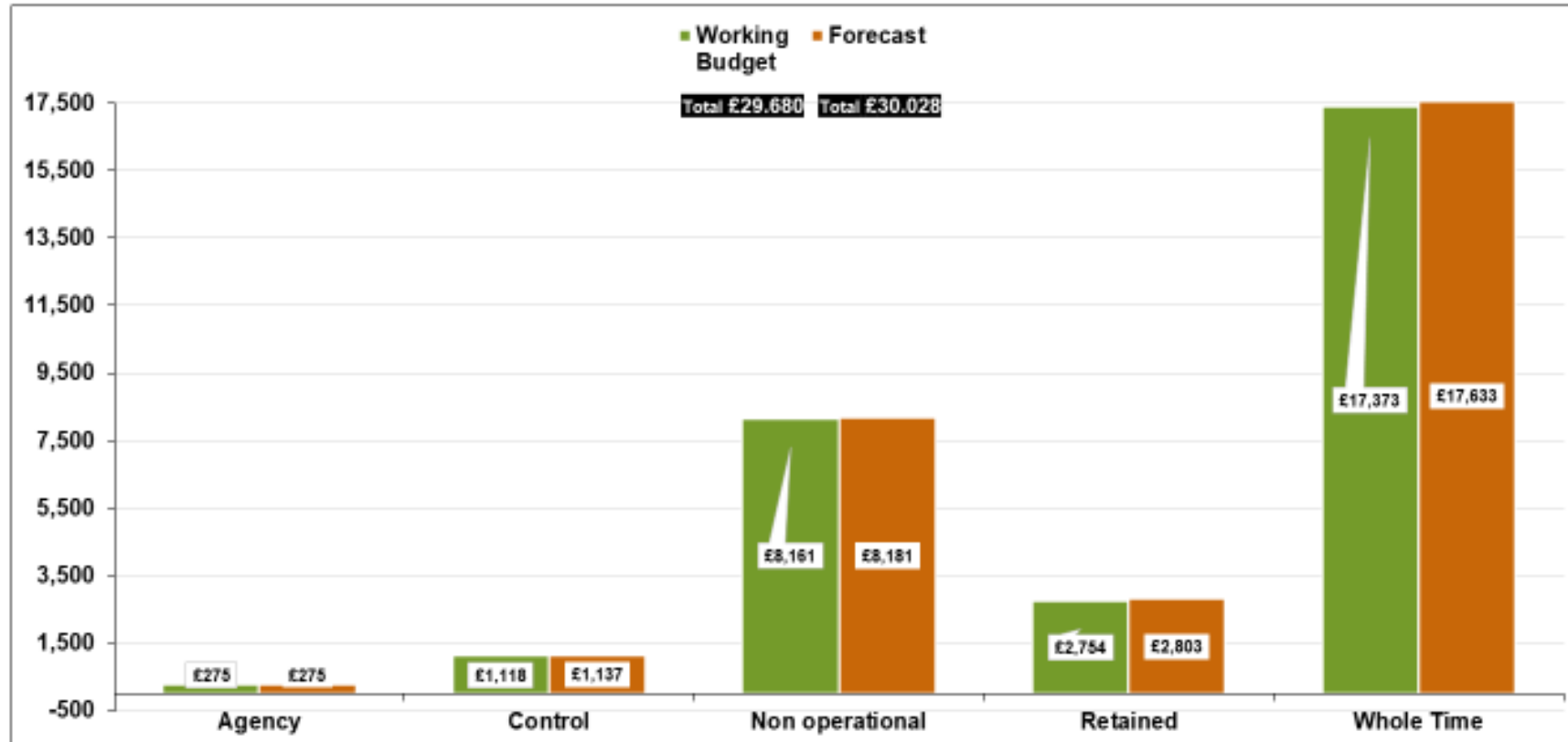
Table 2: 2023/24 Revenue Forecast Outturn

Category	Working Budget £	YTD Actuals £	Forecast Year End Outturn £	Sum of Variance £
Agency	274,900	156,296	274,900	0
Control	1,118,000	734,809	1,137,043	19,043
Non operational	8,160,900	4,575,859	8,180,630	19,730
Retained	2,753,600	1,430,554	2,802,718	49,118
Whole Time	17,373,300	10,111,268	17,632,791	259,491
Grand Total	29,680,700	17,008,787	30,028,083	347,383

2023/24 Revenue Forecast Outturn Salary

2023/24 Forecast Outturn Salary FRA December

£000's



	Variance
Agency	£0
Control	£19
Non Ops	£20
Retained	£49
Whole Time	£259
Total	£347

2.9. The overspend of £347k shown in Table 2 and chart above as at 31st October 2023 is made up of;

Non Operational £20k; Forecast includes back dated pay award, now nationally approved, and will be paid in November. New rates applied in forecast from December.

Retained £49k, Whole Time £259k and Control £19k; The FF July 2022 pay award was budgeted at 5%, as Members are aware, this was finally agreed at 7%. For the July 2023 pay award, 5% was budgeted and agreed. So, there is the 2% budget shortfall within the 2023/24 budget, hence the forecast overspend resulting from this. In addition, the forecast includes two additional FF from December 2023 and 10 new recruits from February 2024. The Retained forecast is adjusted for the one-month lag for payment of allowances.

2.10. **Total Forecast Outturn, Salary and Non Salary**

2.11. 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 forecasted to be (£658k) underspend. If the final year end position is an underspend, then as noted above, it has previously been approved that this is allocated to the Transformation and Pay/Pension Reserves.

2.12. 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. This can be revisited as part of the 2024/25 budget work.

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 2023/24 Capital Programme	Budget 2023/24 £'000s	Forecast 2023/24 £'000s	Deferred 2024/25 £'000s	R A G
	Fleet:				
HTAM	Fire Appliances (x5 Chassis Payment & stage payment)	750		750	Yellow
HTAM	Thermal Imaging Cameras (TIC)	300	281		Green
HTAM	Vehicles Technical Van £35k + CFS Van £30k	65	65		Green
	Sub total Fleet	1,115	346	750	
	Property Works service wide:				
ACO	Various: Lighting replacements, CCTV, fire protection, doors & windows, security gates, electrical infrastructure, Electric Vehicle charging points	354	270	84	Green
ACO	Drill yard resurfacing	14	14		Green
ACO	WC/Shower facility refurbishments	25	25		Green
ACO	Dormitory refurbishment	23	23		Green
ACO	Station Kitchen Refurbishments	8	8		Green
ACO	Major Roofing Replacements	371	150	221	Yellow
ACO	Heating - boiler replacements	30		30	Yellow
ACO	Electric Infrastructure/Photovoltaic Tiles/Solar panels	81		81	Yellow
ACO	Equality, Diversity & Inclusion (predominantly toilet and shower facilities, also access, prayer rooms)	112	30	82	Yellow
ACO	Steel Masts & Drill Towers	110		110	Yellow
	Sub total Property	1,128	520	608	
ACO	Fitness Equipment Expenditure	15	15		Yellow
	TOTAL	2,258	881	1,358	

3.4. Capital Programme Deferrals:

- 3.5. Fire Appliances £750k: The Fire Appliances are on hold pending a review. No spend will occur during current financial year. It is anticipated specifications (vehicle size and equipment) will be finalised, and order submitted by March 2024.
- 3.6. Property Various £84k: For bay floor replacements at Potton, Bedford, Biggleswade & Sandy 2024/25.
- 3.7. Roof replacements £221k, only Leighton Buzzard in 2023/24 under a procurement exemption. Others to be formally tendered when specification documents are complete, and Procurement have capacity. Heating & Electric £30k & Infrastructure £81k: Deferred to 2024/25 - audit by Pick Everard commissioned to review estate requirements in relation to Electrical infrastructure, Heating and Photovoltaic Tiles/Solar panels. Report expected in December 2023. Will be internally reviewed followed by plan regarding what expenditure is needed. Once approved this will be completed in 2024/25.
- 3.8. Steel Masts & Drill Towers £110k: At tender stage, on hold due to time of year (weather and supply availability). Planning will commence in Jan 24 for completion in spring/summer 2024/25.
- 3.9. EDI £82k: Remainder of year will be focused on the following plan, improve building signage including consideration of those with a visual impairment, installation and updating of Hearing Loops, creation/re-allocation of building spaces to provide Multi-Function private/quiet spaces, (e.g. prayer, nursing, neurodiversity, etc.), Re-location and re-marking of wheelchair accessible parking spaces, improve access to wheelchair accessible toilet facilities, larger and higher value works are in the process of being explored for future delivery. i.e. automated powered entry and exit door systems at key locations for improved accessibility, platform/passenger lift installations at key locations to make upper floors accessible, other welfare and accessibility improvements to enhance user experiences and comfort. This deferral is to complete any of the above projects not finished in 2023/24.

3.10. Additions:

New vehicles; 4*£30k. Total £120k.

The Service has budgeted for four new officer response cars in the 2024/25 capital replacement programme, these vehicles are utilised by Fire Officers to respond to operational incidents. The Service requests to bring forward this purchase into 2023/24. This request is to mitigate an area of operational risk of potentially not having enough response vehicles to manage incidents. Due to changes in national guidance, the Service has phased out its 'grey' fleet with the removal of the 'essential car users' scheme' for response officers and therefore a need for a larger fleet of vehicles to accommodate the operational requirements. Currently the Service has managed this additional fleet requirement by extending the replacement life for existing cars and the lease agreements of other vehicles.

Unfortunately, the extended leases have a one months' notice, from the lease companies, so this is also a risk for the Service. The actual spend is likely to be the end of this financial year/into early next. Hence seeking FRA approval now as it may be incurred in this year and not waiting for the FRA approval of the 2024/25 Capital Programme in February 2024. It is the Service's wish to order as soon

as possible as there is currently a minimum 3-month lead time from order. Once approved and ordered the risk can be better assessed. In addition, once the new vehicles are delivered, the Service can eliminate the lease costs of £1k per month.

Property – New kitchens unbudgeted £44k.

Stopsley, Luton & Dunstable unplanned refurbishments complete, Bedford is a work in process, unbudgeted and required as a result of Environmental Audits which required immediate critical refurbishments to avoid possible closure. £44k offset by use of Unplanned/Urgent Property Earmarked Reserves.

3.12 **Variations:** None to report. To note the Thermal Image Cameras coming in under budget allocation.

4. 2024/25 Budget Consultation Question

4.1 The draft 2024/24 Budget Consultation question for Members to consider is included below. The consultation will be ran by the Communications Team following today's meeting and up to the end of January 2024. The summary of responses will be presented back to the FRA at the February 2024 budget setting meeting. The consultation will be via social media and include businesses as well as residents/council tax payers.

The Fire and Rescue Authority, like you, has faced increasing costs due to inflationary pressures. In particular we have seen cost increases in electricity, gas, vehicle fuel, supplies & services and pay impact on our budgets. In order to assist in managing these cost increases, the Fire and Rescue Authority are currently planning our budget for next year and are considering a council tax increase of 2.99%, which would be £3.28 per year for a Band D property. This would increase the Band D council tax charge for your Fire and Rescue Service from £109.45 to £112.73 per year. Would you support this increase to invest in and protect your local Fire and Rescue Service?

ANDREW HOPKINSON
CHIEF FIRE OFFICER

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER / FRA TREASURER

Appendix 1

CMT Area		Bedfordshire Fire and Rescue Authority 2023/24 Savings/Efficiencies (S/E) & Income Generation (I/G)	Budget 2023/24	Forecast 2023/24	R A G
			£'000s	£000's	
ACO	S/E	Saving as a result of brining cleaning back in-house	40	40	
HICT	S/E	Change of provider for the procurement framework. Move to be part of the NFCC blue light collaboration hub.	9	9	
HTAM	S/E	FF Apprenticeship residential element removal	35	42	
HTAM	S/E	Reduced use of external Compartment fire behaviour training	15	15	
HTAM	S/E	To continue to have two Crew Commanders in the instructor pool (generating savings)	12	13	
HICT	S/E	Cessation Whole-time Recruitment system	4	4	
ACO	S/E	Surplus redistribution from the Fire & Rescue Indemnity Company (FRIC) - over estimated 22/23	(20)	0	
HTAM	S/E	ASPIRE Leadership Programme	2	2	
ACO	IG	Increase in Investment Income through continued and robust cash flow management, combined with higher interest rates gained	130	903	
HTAM	IG	Income from Workshops Non business Activity	5	7	
HTAM	IG	Continue to develop the driver training provision to generate income from delivery of various courses including the emergency driver instructor course	30	30	
HTAM	IG	Continued delivery of driving courses for other services including Light Vehicle Response Driver (LVRD) and instructor courses.	27	27	
HSSA	IG	Income towards Communications Team (Digital support to Staywise)	15	15	
HTAM	IG	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	
HRes	IG	Income from cross boarder charging with neighbouring FRS's	10	5	1
ACO	S/E	Energy Management Savings	10		2
ACO	S/E	Protection discount due to investment of 360 degree cameras on front line vehicles	3		3
HTAM	S/E	Proposal for Internal testing of Technical equipment	5		4
Grand Total			362	1142	
Total Savings & Efficiencies			228	125	
Total Income Generation			134	1017	

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

1. Memorandum of Understanding in final stages, it has taken longer than anticipated to finalise this.
2. As outlined above in 2.8., with the continued high cost of energy, this initiative unfortunately will not be delivered.
3. This project has not been completed yet and will not be delivered in 2023/24. This will roll over into next year as a saving on insurance premium, due to discount awarded when the 360-degree cameras are in use.
4. The Technical Technician is awaiting to do the training to allow them to deliver the programme. Due to work capacity and scheduling, this will fall into 2024/25.