

**Status of Report: Public**

**Meeting: Corporate Governance Committee**

**Date: 20 November 2024**

**Subject: Financial Monitoring to end September 2024**

**Report by: Head of Corporate Financial Services**

**Author: Paul Loveday (Chief Accountant)**

**For: Discussion and Decision**

### **Purpose**

1. The purpose of this report is to present the financial monitoring for the six months to the end of September 2024. This report presents the key issues arising from the revenue budget and capital programme as at 30 September 2024.

### **Recommendations**

2. The Committee is asked to note the revenue budget and capital programme position as at the end of September 2024 and make any observations it sees fit.

### **Executive Summary**

3. This report indicates the current financial position at Period 6 compared to the Revenue Budget and Capital Programme.
4. For the 12 months to 31 March 2025, the revenue position currently shows an overall forecast underspend of £221,000 compared with the original budget position set in February 2024.
5. The forecast position reflects the pressures being faced as a consequence of general inflation, recent pay awards and a new scheme of on-call payments that commences on 1 January 2025. The overspends have been offset by an underspend on support staff (Green Book) and a significant increase in Interest Receivable leading to a net underspend.
6. The capital programme is reporting expenditure at the half year of £2,450,000. Forecast expenditure for the year is £7,425,000 (budget £8,880,000). The two largest items in the programme are forecast to spend £1,500,000 in year for the final costs of the completion of the Eastern Station refurbishment (due to complete by mid-February 2025) and £1,600,000 in year for the new Learning and Development facility at Billesdon land purchase and professional fees (could complete by 31 March 2025).

## Revenue Budget

**Table 1: Revenue Budget 2024/25 – Actual at Period 6 and Forecast Out-turn**

	<b>Annual Budget £000</b>	<b>P6 Outturn £000</b>	<b>Forecast Outturn £000</b>	<b>Variance £000</b>
Employees	37,925	18,439	37,700	(225)
Premises	3,218	1,783	3,761	544
Transport	986	468	986	0
Supplies and Services	4,956	2,219	5,189	233
Capital Financing	3,959	1,979	3,959	0
<b>Total Expenditure</b>	<b>51,043</b>	<b>24,888</b>	<b>51,595</b>	<b>552</b>
Income	(51,043)	(24,858)	(51,816)	(773)
<b>Overspend/(Underspend)</b>	<b>0</b>	<b>30</b>	<b>(221)</b>	<b>(221)</b>

7. As shown in Table 1 above, the annual budget for 2024/25 is £51.043 million.
8. The actual out-turn for the revenue budget for the six months to 30 September 2024 is an overspend of £30,000. However, the forecast out-turn for the 12 months to 31 March 2025 is an overall underspend of £221,000.
9. Key areas relating to the accounts are as follows:

### **Employees**

- i) At budget setting in February 2024, a 4% increase in Firefighter's pay was provided. As this was the agreed pay award for the year, the expected out-turn at 31 March 2025 is projected to be on budget.
- ii) Support staff pay is forecasting to underspend by £310,000. This resulted from a 4% provision for the pay award being made at budget setting time, however, the actual award agreed is £1,290 per FTE per annum under the Green Book (c. 2.5%)
- iii) A revised scheme of On Call payments is due to commence on 1 January 2025 which will create an £85,000 budget pressure in 2024/25, this has now been factored into the forecast final out-turn of a £221,000 underspend

### **Other Expenditure**

- iv) Many of the budgets within premises have been frozen for a number of years resulting in them now being insufficient. Consequently, a number of budgets are likely to be exceeded by the end of the financial year. The larger variances are

Planned Building Maintenance which has a budget of £617,000 but the out-turn is likely to be £1,000,000 due to price inflation and other contractual costs. Other budgets that are likely to be exceeded are Water Rates with an original budget of £55,000 that is likely to spend £111,000 by out-turn and Refuse/Trade Waste which has a budget of £30,000 and a likely spend for the year of £78,000.

- v) As with premises costs, supplies and services budgets have been frozen for a number of years and have not kept pace with price increases. These include Mobile Phones with a budget of £37,000 which now has a likely out-turn of £68,000, Breathing Apparatus which is likely to exceed its budget by £22,000 and an overspend on Computer Software Contracts of £180,000 for Microsoft 360 licences.

### **Income**

- vi) Income has principally risen for the forecast out-turn because Interest Receivable on investments has exceeded the budget set of £60,000. Interest based on current available interest rates is expected to be £800,000 for the 12 months to 31 March 2025.

### **Capital Programme**

**Table 2: Capital Budget 2024/25 Actuals at Period 6 and Forecast Out-turn**

	Slippage B/fwd from Previous	Budget 2024/25	Updated Budget 2024/25	Actual Spend P1 to P6	Forecast Outturn for the Year	Forecast Slippage for the Year
	£'000	£'000	£'000	£'000	£'000	£'000
Vehicles	1,349	2,434	3,783	1,936	3,583	200
Premises	2,643	923	3,566	233	3,327	239
Fire Fighting Equipment	727	375	1,102	110	210	892
Fire Control	74	0	74	0	0	74
Life Safety Sprinkler	50	0	50	0	0	50
ICT	25	280	305	171	305	0
<b>TOTAL</b>	<b>4,868</b>	<b>4,012</b>	<b>8,880</b>	<b>2,450</b>	<b>7,425</b>	<b>1,455</b>

10. The Capital Budget for 2024/25 is £8,880,000 and this includes slippage brought forward from the previous year of £4,868,000.
11. Actual expenditure for the six months to 30 September 2024 is £2,450,000.
12. The forecast spend for the year is £7,425,000 resulting in a forecast underspend of £1,455,000.
13. An overview of the status of the capital programme is listed below:

## **Vehicles**

14. The total budget of £3,783,000 includes slippage of £1,349,000 from 2023/24 due to supplier delays for vehicle purchases. Actual spend for the year to date is £1,936,000, of which £1,162,000 relates to fire appliances and station vans from the 2023/24 fleet replacement project. The remainder of the spend relates to the purchase of officer vehicles and additional fire appliances from the 2024/25 fleet replacement project.

## **Premises**

15. The forecast expenditure for the year of £ 3,327,000 relates to:
- the final costs of the completion of the Eastern Station refurbishment (c.£1,500,000, estimated completion mid-February 2025)
  - the new Learning and Development facility at Billesdon land purchase and professional fees (c. £1,600,000 could complete by 31 March 2025)
  - Wigston DCP change £107k (to be completed by 15 November 2024)
  - Birstall DCP change £20k (to be completed by 1 January 2025)
  - Southern refurb professional fees £100k (up to 31 March 2025)

## **Fire Fighting Equipment**

16. The total budget of £1,102,000 includes slippage of £ 727,000 from 2023/24. Actual spend for the year to date is £110,000 relating to expenditure for the 2022/23 and 2023/24 operational equipment replacement programmes. Due to delays in previous years equipment replacement programmes, the remainder of the budget will be used to procure various operational equipment relating to previous years plans. Operational equipment includes the purchase of water rescue equipment and training, hose kits, and various other operational equipment which is due to be replaced.

## **Fire Control**

17. As noted in the Final Out-turn 2023/24 Report, slippage of £74,000 for the Fire Control Project represents the balance of the capital grant awarded by the government for the Tri-Service Control Project. This amount has now been reallocated to contribute towards funding the new mobilising system.

## **Life Safety Sprinkler**

18. The £50,000 budget brought forward from the previous year is no longer required and will be reallocated within the capital programme.

## **ICT**

19. The ICT capital budget for the year is anticipated to be spent in full and includes:
- Network devices such as score and station switches

- Connectivity and security devices such as Firewalls
- Projects where expenditure is capitalised, such as the new Application tracking system

## **Report Implications/Impact**

### 20. Legal (including crime and disorder)

There are no legal implications arising from this report.

### 21. Financial (including value for money, benefits and efficiencies)

These are included in the main body of the report.

### 22. Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)

It is important to be aware of how the budget is progressing as it enables early action to be taken to address any issues that arise.

### 23. Staff, Service Users and Stakeholders (including the Equality Impact Assessment)

There are no staff, service user or stakeholder implications arising from this report.

### 24. Environmental

There are no environmental implications arising from this report.

### 25. Impact upon "Our Plan" Objectives

The Finance and Resources strategic aim of demonstrating value for money is supported by the effective monitoring and review of the revenue and capital budgets throughout the year.

## **Background Papers**

Budget Strategy 2024/25 to 2026/27 (CFA 14 February 2024)

<https://leics-fire.gov.uk/wp-content/uploads/2024/02/item-9-budget-strategy.pdf>

Revenue and Capital Outturn 2023/24 (CFA 2 October 2024)

<https://leics-fire.gov.uk/wp-content/uploads/2024/06/item-10-revenue-and-capital-outturn-202324.pdf>

## **Officers to Contact**

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