

ROYAL BERKSHIRE FIRE AUTHORITY REPORT



COMMITTEE	MANAGEMENT COMMITTEE
DATE OF MEETING	8 OCTOBER 2024
SUBJECT	2024/25 BUDGET MONITORING – QUARTER 1
LEAD OFFICER	CONOR BYRNE, HEAD OF FINANCE AND PROCUREMENT
LEAD MEMBER	COUNCILLOR JEFF BROOKS
EXEMPT INFORMATION	NONE
ACTION	FOR NOTE AND ACTION

1. EXECUTIVE SUMMARY

1.1 To inform members of the revenue and capital outturns as well as treasury position at the end of quarter 1 2024/25.

2. RECOMMENDATION

2.1 That the Management Committee **NOTE** the report.

3. REPORT

Commentary on Revenue Outturn

3.1 The detailed revenue outturn for quarter 1, 2024/25 is shown in **Appendix A**. Net costs of TVFCS for quarter 1 are shown in **Appendix B**.

3.2 The 2024/25 Revenue Budget agreed by Fire Authority in February 2024 was set at £45.964m. The budget was set with no addition to or need to draw on the Budget Contingency Reserve.

3.3 The forecast revenue outturn for 2024/25 is shown in **Appendix A** and shows an anticipated surplus of £80,000 compared to the original budget. Variances against individual revenue lines are explained below.

- 3.4 Employee costs. The Grey book pay award from 1 July 2024 has been agreed at 4%. This compares to a budget assumption of 3.75%, resulting in an additional pressure of £39,000. The Stations budget was set to include a buffer of an additional ten firefighters with the actual numbers of staff on whole-time stations below the budgeted number in quarter 1. The 17 new recruits that joined in February are now all on stations and 18 new recruits have been taken on (in July) and after training will join their stations in November. The proportion of firefighters in development is higher than in the budget. There is a forecast cost saving due to vacancies of around £369,000 on whole-time stations.

The overtime budget was set at a lower level, in anticipation that the additional ten firefighter buffer would help lead to reduced overtime. Due to the under establishment in quarter 1 and pressure on the overtime budget to cover sickness, firefighters on light duties and additional overtime for training, the overtime forecast is showing at £395,000 over budget for the year.

On-call stations are currently showing a net negative variance across the county, with a net variance of £93,000, with Lambourn being £50,000 of this amount.

- 3.5 The Green book pay award has not yet been finalised. A forecast pay award of 3.75% (from 1 April 2024) has been used, which is the same as budgeted.
- 3.6 *Occupational Health* – costs are forecast to be £46,000 higher than budget due to cost increases, additional number of whole-time staff with additional medicals, increased numbers of referrals – particularly of complex cases needing physician rather than adviser appointments. Referrals for mental health cases have also risen.
- 3.7 *Contracts* – Internal and External audit cost are forecast to be a total of £22,000 higher than budgeted.
- 3.8 *Pension costs* – £27,000 higher due to additional Injury award costs.
- 3.9 *Grants* – the Pension Grant to cover additional pension costs has come in £87,000 higher than budgeted.
- 3.10 *Interest receivable* — the continuing high interest rates have been to the advantage of the Authority, with current and anticipated interest from money on deposit forecast to yield around £146,000 more revenue than originally budgeted.

Capital

- 3.11 Capital expenditure for the year and supporting commentary for each respective scheme is shown in **Appendix C**.

Treasury

- 3.12 Treasury management activity for quarter 1 is shown in **Appendix D**. All treasury management operations have been conducted in full compliance with the Authority's Treasury Management Practices.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 5 – Sustainability. We will ensure that we provide a financially sustainable and environmentally friendly service to our communities.

5. FINANCIAL IMPLICATIONS

- 5.1 The forecast outturn position on the Revenue Account is expected to be a surplus of £80,000.

6. LEGAL IMPLICATIONS

- 6.1 Expenditure complies with the Authority's Financial Regulations.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 There are no equality and diversity implications arising from this report.

8. RISK IMPLICATIONS

- 8.1 Budget setting assumptions that feed into the Medium-Term Financial Plan were reviewed and approved by Fire Authority.
- 8.2 Regular monitoring of expenditure against budgets helps ensure that resources are matched to need.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 The duty to collaborate is considered as part of the procurement process for both revenue and capital expenditure.

10. PRINCIPAL CONSULTATION

- 10.1 The Chief Fire Officer has noted the contents of the report.

11. BACKGROUND PAPERS

11.1 Agenda and Minutes, Royal Berkshire Authority: 15 February 2024

12. APPENDICES

12.1 Appendix A – Revenue position at quarter 1 2024/25

12.2 Appendix B – Net costs of TVFCS quarter 1 2024/25

12.3 Appendix C – Capital position at quarter 1 2024/25

12.4 Appendix D – Treasury position at quarter 1 2024/25

13. CONTACT DETAILS

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