

# ROYAL BERKSHIRE FIRE AUTHORITY REPORT



<b>5OMMITTEE</b>	<b>MANAGEMENT COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>4 DECEMBER 2024</b>
<b>SUBJECT</b>	<b>2024/25 BUDGET MONITORING – QUARTER TWO</b>
<b>LEAD OFFICER</b>	<b>CONOR BYRNE, HEAD OF FINANCE AND PROCUREMENT</b>
<b>LEAD MEMBER</b>	<b>COUNCILLOR JEFF BROOKS, FINANCE LEAD</b>
<b>EXEMPT INFORMATION</b>	<b>NONE</b>
<b>ACTION</b>	<b>FOR NOTE</b>

## 1. EXECUTIVE SUMMARY

- 1.1 To inform members of the revenue and capital outturns as well as treasury position at the end of quarter 2 2024/25.

## 2. RECOMMENDATION

That the Management Committee:

- 2.1 **NOTE** the report.

## 3. REPORT

### **Commentary on Revenue Outturn**

- 3.1 The detailed revenue outturn for quarter 2, 2024/25 is shown in **Appendix A**. Net costs of TVFCS for quarter 2 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 £26,000 compared to the original budget. Variances against individual revenue lines are explained below.
- 3.4 *Employee costs.* The Grey book staff reached a pay settlement from 1 July 2024 of 4%. This was against a budget rate of 3.75% - at an additional cost of

£39,000. The budget was set with the crewing model that included a buffer of an additional ten firefighters. Station staff salary costs have been less than budgeted for the period, even with the 17 new recruits that joined in February (who went to stations in May), due to the number of leavers and retirements. The 18 new recruits taken on in July have joined stations in November. The proportion of firefighters in development is higher than in the budget. Overall, there is a forecast net cost savings on station salaries of around £419,000.

- 3.5 The overtime budget was set at a lower level, in anticipation that the implementation of Priority Project 6 (of CRMP) and the additional ten firefighter buffer would help lead to reduced overtime. Due to the delay in the implementation of Priority 6, the time taken to recruit additional firefighters and pressure on the overtime budget to cover sickness, firefighters on light duties and additional overtime for training, the overtime forecast is showing at £586,000 over budget for the year.
- 3.6 On-call stations are currently showing a net negative variance across the county, with a net variance of £125,000, with Lambourn being £50,000 of this amount.
- 3.7 The Green book pay award has been finalised at an average of 3.38% against the forecast of 3.75%, an estimated saving against the budget of £33,000. This is more than offset by higher officer overtime, including covering sickness, resulting in a resulting in a net forecast overspend of £50,000.
- 3.8 *Utilities* – reductions in utility prices are anticipated to save around £41,000 against the original budget.
- 3.9 *Occupational Health* – costs are forecast to be £46,000 higher than budget due to cost increases, additional number of wholetime 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.
- 3.10 *Contracts* – Internal and External audit cost are forecast to be a total of £22,000 higher than budgeted.
- 3.11 *Pension costs* – £34,000 higher due to additional Injury award costs.
- 3.12 *Grants* – the Pension Grant to cover additional pension costs has come in £87,000 higher than budgeted.
- 3.13 *Interest receivable* — we have been able to increase our investments and also the higher than budgeted interest rates have been to the advantage of the Authority, with current and anticipated interest from money on deposit forecast to yield around £270,000 more revenue than originally budgeted.

## **Capital**

- 3.14 Capital expenditure to quarter 2 and supporting commentary for each respective scheme is shown in **Appendix C**.

### **Treasury**

- 3.15 Treasury management activity for quarter 2 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 £26,000.

## **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 2, 2024/25

12.2 Appendix B – Net costs of TVFCS quarter 2, 2024/25

12.3 Appendix C – Capital position at quarter 2, 2024/25

12.4 Appendix D – Treasury position at quarter 2, 2024/25

**13. CONTACT DETAILS**

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