

## AVON FIRE AUTHORITY

<b>MEETING:</b>	<b>Avon Fire Authority</b>
<b>MEETING DATE:</b>	<b>Wednesday, 14 December 2022</b>
<b>REPORT OF:</b>	<b>The Treasurer</b>
<b>SUBJECT:</b>	<b>Revenue 2022/2023 Budget Monitoring Report</b>

### 1. **SUMMARY**

This report provides the Fire Authority with an updated revenue monitoring report for the current financial year, based upon spending at the end of October 2022.

### 2. **RECOMMENDATIONS**

The Fire Authority is asked to:

- a) Note the forecast spending position against the 2022/23 Revenue Budget.

### 3. **BACKGROUND**

- 3.1 The 2022/23 net revenue budget was approved at the Fire Authority meeting in February 2022. It is important that the Authority receives regular budget monitoring reports which provide a forecast of spending against this budget.
- 3.2 This report provides forecasts of spending against each agreed budget heading based upon spending to the end of October 2022.

### 4. **FINANCIAL IMPLICATIONS**

- 4.1 This latest report forecasts that spending against the net revenue budget will be £30k overspent. This compares to the previously reported break-even position, based upon spending to the end of July 2022, as reported to the Fire Authority meeting held on the 5 October 2022.
- 4.2 Whilst a small overspend is projected, this represents a positive position for the Fire Authority, given the additional pay and inflationary pressures placed upon

the budget, and the fact that these pressures can be mitigated by underspends elsewhere in the budget and avoid the need to utilise Reserve balances to fund these additional pressures.

- 4.3 Forecasts of spending against each of the agreed budget heads are shown within **Appendix 1** and **Appendix 2**.

## **5. KEY CONSIDERATIONS**

### **Explanations of Significant Variations**

#### Income

- 5.1 Income from Central Government and Unitary Authorities is forecast to be in line with budget, however, additional income received from the South West Ambulance Service NHS Foundation Trust has resulted in a forecast over-recovery of £-302k. This is as a result of the continuation of the support provided by AF&RS over and above the confirmed agreement period at the time of budget setting.

#### Employee Costs

- 5.2 Forecasts of Employee costs have now been adjusted to reflect the confirmed pay award for Corporate staff (£190k additional cost over budget) and the proposed increase of 5% for Uniformed staff (£690k additional cost over budget) to give an updated and accurate representation of the impact of these adjustments. The forecast overspend on Corporate Staff of £34k includes an increase in agency use in several areas to support the Service.

#### Premises Costs

- 5.3 It is forecast that net spending against Premises costs will be underspent by £-135k, primarily as a result of savings on cleaning, where costs have reduced in year (£-64k) and utilities where current prices are lower than projected as a result of the government price cap (£-50k).

#### Transport Costs

- 5.4 A net saving of £-63k is forecast from Transport costs primarily as a result of travel journeys not yet increasing to pre-COVID levels, as had been anticipated, and the resultant savings on car allowance payments to Officers.

### Supplies and Services

- 5.5 It is forecast that overall spending on Supplies and Services costs will be overspent by £69k primarily as a result of an overspend on other supplies and services relating to increases in prices across several items (£61k).

### Other Costs

- 5.6 It is currently forecast that costs relating to the collection fund deficit and capital financing costs will be break-even at year end. An additional amount of £250k was added to the investment fund for in-year bids, however at this time there are no commitments against this figure and is not therefore expected to be utilised in this financial year. This underspend is currently being utilised to mitigate against the overspend on Employee costs together with a portion of the contingency (£-88k).

### **In-year Budget Adjustments**

- 5.7 Included in Appendix 1 (column 4) are figures relating to in-year budget adjustments approved by the Treasurer during the year as regulated by the Fire Authority Financial Regulations A15 to A17. Table A below provides details of each of those adjustments.

**Table A – Summary of In-Year Budget Adjustments**

Budget Virement	Budget Head	£000s	£000s	Narrative
<b>Income:</b>				
To	Corporate Staff	82		Two additional posts - Human Resources Business Partners approved by the Service Leadership Board to be funded from the Investment Fund.
From	Investment Fund		-82	
To	Corporate Staff	50		Additional Supplies & Procurement Officer for Procurement and Supplies Team to support increase in workload to be funded from the Investment Fund
From	Investment Fund		-50	
To	Corporate Staff	100		Training manager and administrator post associated with restructure in the Fire Investigation Team to be funded from the Investment Fund.
From	Investment Fund		-100	
To	Corporate Staff	36		Additional Senior Resource Planner associated with restructure in the RPU to be funded from the Investment Fund.
From	Investment Fund		-36	
To	Corporate Staff	42		Additional staffing resource including revised role of Head of Corporate Assurance, Continuous Improvement and Planning as well as additional administrative posts associated with restructure in the Corporate Assurance Team to be funded from the Investment Fund.
From	Investment Fund		-42	
To	Corporate Staff	170		Additional Business Fire Safety Officer posts funded by Central Government protection grant and Business Fire Safety Manager associated with restructure funded from prior year savings in the Business Fire Safety Team to be funded from Reserves.
From	Reserves		-170	
To	Other Supplies and Services	58		Costs associated with the Transformation Project agreed to be funded from Reserves
From	Reserves		-58	
To	Corporate Staff	190		Additional pay costs associated with agreed 2022 pay award for Corporate staff over and above the 2% included in the budget.
From	Contingency		-190	
To	Equipment and Supplies	127		Costs associated with a replacement foam strategy agreed to be funded from Contingency.
From	Contingency		-127	
To	Contingency	-42		Agreed transfer to Contingency as a result of identified savings on cleaning costs.
From	Cleaning and Refuse		42	
<b>Total</b>		<b>813</b>	<b>-813</b>	

## **6. RISKS**

- 6.1 This report primarily relates to Corporate Risk 20 (Funding and Resource Pressure Risk), within the Corporate Risk Register. This risk has been minimised due to the effective budget management of the revenue budgets throughout 2022/2023.
- 6.2 Additional risks are currently being assessed around the impact of industrial action as part of the Industrial Action Planning Group, and the potential increase in utilities costs which is being monitored in collaboration with the Premises team.

## **7. LEGAL/POLICY IMPLICATIONS**

None.

**8. BACKGROUND PAPERS**

- a. AFA Paper – 05.10.2022 – Paper 10 – 2022/23 Revenue Budget Monitoring Report
- b. AFA Paper – 11.02.2022 – Paper 7 – 2022/23 Budget Setting & Precept

**9. APPENDICES**

- 1. Revenue Financial Summary – 1 April 2022 to 31 October 2022.
- 2. Detailed Revenue Financial Summary – 1 April 2022 to 31 October 2022.

**10. REPORT CONTACT**

Claire Bentley - Head of Finance  
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