

AVON FIRE AUTHORITY

MEETING:	Avon Fire Authority
MEETING DATE:	Wednesday, 21 June 2023
REPORT OF:	Statutory Finance Officer
SUBJECT:	2022/23 Revenue Final Outturn

1. **SUMMARY**

This report provides an updated revenue monitoring report for the current financial year, based upon spending at the end of March 2023.

2. **RECOMMENDATIONS**

The Fire Authority is asked to:

- a) Note the final Income and Expenditure 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 and the relevant committees receive regular budget monitoring reports which provide a forecast of spending against this budget.
- 3.2 This report provides actual spending against each agreed budget heading based upon the position at the end of March 2023.
- 3.3 The draft financial statements for the year ended March 2023 were due to be published for public inspection by 31 May 2023. Note that this deadline was not met due to the delays in the signing of the year ended March 2022 accounts and a public statement was published to this effect. Draft statements for the year ended March 2023 are expected to be presented at the AGOC meeting on 27 June 2023.

4. **FINANCIAL IMPLICATIONS**

- 4.1 This final outturn position spending against the net revenue budget is

£-417k underspent. This compares to the previously reported small overspend position which was based upon spending to the end of February 2023, as reported to the PRSC in April 2023.

- 4.2 The underspend represents a positive position for the Fire Authority given the additional pay and inflationary pressures placed upon the budget. The fact that these pressures have been mitigated by underspends elsewhere in the budget has avoided the need to utilise Reserve balances.
- 4.3 Actual spend against each of the agreed budget headings is shown within **Appendix 1** and **Appendix 2**.

5. **KEY CONSIDERATIONS**

Explanations of Significant Variations

Income

- 5.1 Income from Central Government and Unitary Authorities (UA) combined is over-recovered by £-674k. The £1,038k negative variance on UA income is as a result of incorrectly categorised NNDR (National Non-Domestic Rates) relief grants which are shown within actual Central Government income.

The additional over recovery relates to grants received at year end which were not within budget for ongoing Redmond review related costs (£-11k) and business rates reconciliation income (£-663k).

There has been additional investment income of £-314k as a result of the increased interest rates which was not budgeted and has therefore provided additional mitigation of increased costs.

Additional SWAST income received has resulted in an over-recovery of £-790k within other income which has been used to mitigate the impact of the pay awards meaning there has been no requirement to utilise capital reserves to fund this.

Employee Costs

- 5.2 Employee costs now include all backdated pay relating to the increase of 7% for Grey book staff (£1,275k additional cost over budget).

The pay award for Corporate Staff has been adjusted from contingency within the revised budget as this was confirmed during the year.

Adjustments to the Corporate Staff budget have also been made to reflect the approved structure changes made from the investment fund in HR, Corporate Assurance and RPU as well as the reserves funding for members of the Business Fire Safety Team in line with the submissions made to the Home Office for this funding.

Premises Costs

- 5.3 The outturn position is that net spending against premises costs are underspent by £-120k, primarily as a result of savings against the utilities budget of £-113k.

Transport Costs

- 5.4 A overspend of £115k on transport costs is primarily as a result of increased fuel and insurance costs which have been partially mitigated by reductions in travel costs with journeys not yet increasing to pre-COVID levels, as anticipated, and the resultant savings on car allowance payments to officers.

Supplies and Services

- 5.5 Supplies and services costs have overspent by £189k primarily as a result of additional costs on IT and communications relating to the IT infrastructure project and updated contracts for communications in year (£78k) and an overspend on other supplies and services and fees and services relating to increases in prices across a number of items (£220k). These are mitigated by underspends on equipment and supplies and training costs (£-127k).

Other Costs

- 5.6 Other costs relating to the collection fund deficit will show a slight overspend (£3k) and capital financing costs are slightly underspent (£-15k). The unused investment fund has now been released to mitigate the additional pay award and contingency will be fully utilised in year to support a breakeven position. Transfers to/from reserves reflect the transfer to budget of the Transformation team costs (£-488k) with transfers made to and from reserves relating to the Protection Grant Funding resulting in an increase of £190k and £417k being transferred to reserves relating to the in-year underspend.

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.

7. LEGAL/POLICY IMPLICATIONS

- 7.1 None.

8. BACKGROUND PAPERS

- a. PRSC Paper – 20.4.2023 – Paper 11 – 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 March 2023
2. Detailed Revenue Financial Summary – 1 April 2022 to 31 March 2023

10. REPORT CONTACT

Verity Lee, Statutory Finance Officer
Claire Bentley, Head of Finance