



**Report to: Police Executive Board 4th September 2024**

**Fire Service Revenue Budget**

<b>Budget</b>	<b>£27,824k</b>
<b>Forecast Net Expenditure</b>	<b>£27,898k</b>
<b>Forecast Overspend</b>	<b>£74k (0.27%)</b>
Increased Expenditure	£285k (0.88%),
Increased Income	–£211k (49.85%)

See pages 2-5

**Fire Service Capital Budget**

<b>Budget</b>	<b>£3,145k</b>
<b>Forecast Expenditure</b>	<b>£3,145k</b>
<b>Expenditure at Qtr1 is</b>	<b>£1,440k</b>
Profiling to future years	£0k

See page 6

**Fire Treasury Management**

Investment balance 30/06/24	£10.480m.
(Up 58% from £6.611m at 31/03/24).	
Investment Interest Forecast	£0.580m

Cumbria Commissioner Fire & Rescue Authority – Revenue Budget 2024/25

Subjective Analysis (by expenditure type)

	Revised Budget 2024/25 £'000	Forecast Outturn 2024/25 £'000	(Under) / Overspend 2024/25 £'000	(Under) / Overspend 2024/25 %
Employee Related Expenditure	21,825	21,879	54	0.25%
Premises Related Expenditure	2,058	2,074	16	0.77%
Transport Related Expenditure	908	963	55	6.04%
Supplies & Services	1,440	1,600	159	11.07%
Third Party Payments	1,003	1,023	20	1.96%
Service Level Agreements	1,814	1,874	60	3.31%
Capital Financing	3,355	3,277	(78)	(2.33%)
<b>Total Expenditure</b>	<b>32,403</b>	<b>32,688</b>	<b>285</b>	<b>0.88%</b>
<b>Total Income (excl Grants)</b>	<b>(423)</b>	<b>(634)</b>	<b>(211)</b>	<b>49.85%</b>
<b>Net Expenditure</b>	<b>31,980</b>	<b>32,054</b>	<b>74</b>	<b>0.23%</b>
<b>Total Specific Grants</b>	<b>(4,986)</b>	<b>(4,986)</b>	<b>0</b>	<b>0.00%</b>
<b>Total Net Expenditure</b>	<b>26,994</b>	<b>27,068</b>	<b>74</b>	<b>0.28%</b>
<b>Transfers to / (from) Reserves</b>	<b>830</b>	<b>830</b>	<b>0</b>	<b>0.00%</b>
<b>Net Budget Requirement</b>	<b>27,824</b>	<b>27,898</b>	<b>74</b>	<b>0.27%</b>

Key Themes:

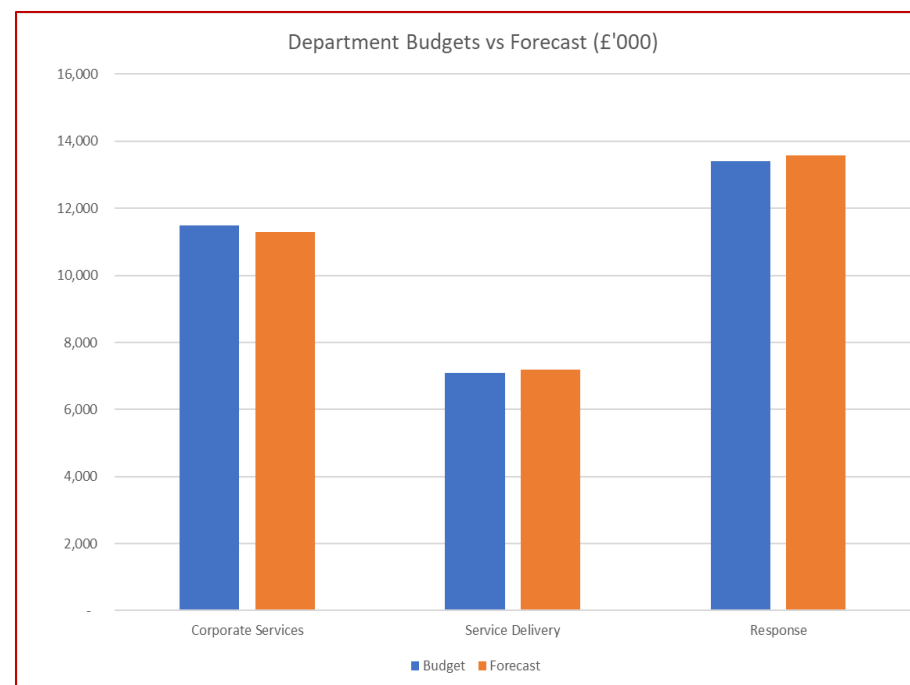
- Employee Related Expenditure pressures relating to overspends due to some un-budgeted posts and increased Overtime due to covering sickness absence. This is partially offset by a number of short-term vacancies. Detailed salary monitoring is now being undertaken. The Pay Award is anticipated to be covered by the set aside budget; however, the Green Book Pay Award (Corporate Staff) is still to be agreed.
- Transport Related Expenditure pressures relate to forecast overspends on mileage claims **£13k**, increased Vehicle Insurance premiums **£28k**, Fuel costs **£9k** and Vehicle Repairs & Maintenance **£8k**.
- Supplies and Services pressures relate to forecast overspends on 'Other' insurances **£121k**, Postage and confidential waste **£21k**, (where there is no allocated budget), LPPA Admin costs **£57k** and Laundry costs **£26k**, off-set by savings on Risk reduction items (**£49k**) due to a changed business model.
- Third Party Payments overspend relates to the increased cost of North West Fire Control (NWFC) **£21k**.
- Service Level Agreements with the Unitary Councils are forecast to overspend by **£60k** this is predominantly due to the higher than predicted costs related to Occupational Health.
- Capital Financing underspend relates primarily to the reduced Interest payable on borrowing – no borrowing undertaken.
- Income underspend relates to increased Treasury Income following the receipt of an additional Grant income related to the Sargeant and Matthews pensions remedies and increased investment returns.

**Risks**

- The forecast overspend includes known pressures, however as service areas review business models and processes other pressures as yet unknown may emerge.
- At this point in time the forecast overspend would reduce the amount budgeted to be contributed to reserves in 2024/25.
- The Pay Award for Retained firefigether due to commence in january 2025, has yet to be fully modelled and costed and will therefore present an additional pressure.

**Objective Analysis (by Department)**

	Revised Budget 2024/25 £'000	Forecast Outturn 2024/25 £'000	(Under) / Overspend 2024/25 £'000	(Under) / Overspend 2024/25 %
Total Corporate Services	11,491	11,292	(199)	(1.73%)
Total Service Delivery	7,091	7,193	102	1.43%
Total Response	13,398	13,570	171	1.28%
<b>Total Expenditure</b>	<b>31,980</b>	<b>32,054</b>	<b>74</b>	<b>0.23%</b>
Total Specific Grants	(4,986)	(4,986)	0	0.00%
<b>Total Net Expenditure</b>	<b>26,994</b>	<b>27,068</b>	<b>74</b>	<b>0.28%</b>
Transfers to / (from) Reserves	830	830	0	0.00%
<b>Net Budget Requirement</b>	<b>27,824</b>	<b>27,898</b>	<b>74</b>	<b>0.27%</b>



**Variance Narrative**

A high-level explanation of the main budget variance by department is provided on pages 4-5.

## Variance Analysis

### Corporate Services (made up of 9 function areas) – forecast -£199k below budget

#### **People and Talent**                    **+£65k above budget**

- +£57k increased costs of LPPA Pensions Administration,
- +£60k for increased Occupational Health SLA costs from Westmorland & Furness,
- -£73k savings on staffing due to delays in recruiting to a number of posts including the Senior Pensions Advisor starting in September.

#### **Safety & Assurance**                    **+£11k above budget**

- +£17k postage and printing costs, where there is no historic budget as these were centralised corporate costs,
- -£6k some small savings on Employee costs -.

#### **Estates**                                    **-£22k under budget**

- +£53k increased expenditure on Business Rates,
- +£18k Legionella testing,
- +£17k Cleaning & Building Repairs & Maintenance
- -£72k projected underspends on Electricity and Gas

#### **Finance**                                    **-£271k under budget**

- +£96k Increased Insurance Premiums,
- -£30k saving on staffing due to career grade in post
- -£72k saving on Interest Payments on borrowing due to no new borrowing undertaken
- -£242k increase in forecast Treasury Interest due to increased cash balances and increased investment returns

#### **Strategic Management**                    **+£16k above budget**

- +£74k savings still to be achieved
- -£106k salary savings due to not having a Deputy Chief Fire Officer in post for part of the year.

**Service Delivery (made up of 5 function areas) – forecast Overspend +£102k**

**Fire Protection +£10k above budget**

- Due to increased staffing costs, there is currently a review of the staffing structure within the department.

**Fire Prevention -£91k under budget**

- -£41k savings on staffing due to vacancies
- -£49k saving on Risk Reduction items following a review of the business model.

**Learning and Development -£12k under budget**

- Mainly due to moderate savings across the budget lines

**Operational Planning +£10k above budget**

- +£21k pressure on North-West Fire Control (NWFC) costs.

**Technical Services +£185k above budget**

- +£177k related Group Manager and Station Manager permanent posts that are not budgeted within the section. (A review is underway of where these posts sit within the costed establishment)
- +£26k related to increased Laundry costs (a review is underway on the protocols of when laundering of PPE is required).

**Response (considered as a whole including Fulltime and Retained Fire officers) – forecast Overspend +£171k**

- Staffing pressures relate to ‘On-Call’ Support Crew managers that are not budgeted. Action is underway to address this.
- Historic lack of budget for the employers Pension contributions on on-call staffing costs
- Overall pressure in relation to the Overtime required to cover current absence rates.

Cumbria Commissioner Fire & Rescue Authority – Capital Budget 2024/25

	Original Budget 2024/25 £'000	YTD Spend 2024/25 £'000	Forecast Outturn 2024/25 £'000	(Under) / Overspend 2024/25 £'000
<b>2024/25 Capital Programme Forecast as at Quarter 1</b>				
Estates	1,065	54	1,065	0
Fleet	1,436	1,356	1,436	0
Equipment & PP	210	20	210	0
ICT	434	10	434	0
<b>Total Expenditure</b>	<b>3,145</b>	<b>1,440</b>	<b>3,145</b>	<b>0</b>

At this stage in the year (qtr. 1) a large proportion of the Capital budget has been spent, this is due a payment of £1,087k being made for the 2 x Turntable ladders.

There will be £1,187k to be carried from the 2023-24 Outturn position for projects not completed or delivered in 2023/24; however, this will be confirmed once the Outturn report is presented.

**At this stage in the year there is an expectation that all Capital budgets will be spent in 2024-25, more detail in this regard will be provided in the Quarter 2 reporting.**