

Statement of Accounts 2023/24

Report of the Chief Fire Officer

For further information about this report please contact James Walton
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1 Executive Summary

This report sets out the key revenue issues which have arisen from work on the Statement of Accounts 2023/24 and seeks approval for use of the General Fund balance in 2024/25.

2 Recommendations

The Fire Authority is recommended to:

- a) Note the final position of the revenue budget and the General Fund balance in 2023/24, and
- b) Approve use of the General Fund balance in 2024/25.

3 Background

The Accounts and Audit Regulations 2015 state that the Statement of Accounts must be approved by the Treasurer and published on the Authority's website by 31 May following the end of the financial year, with final audited accounts published by 30 September 2024.

Officers have worked as closely as possible to the timetable for draft accounts, however the accounts were signed by the Treasurer and published on 13 June 2024.

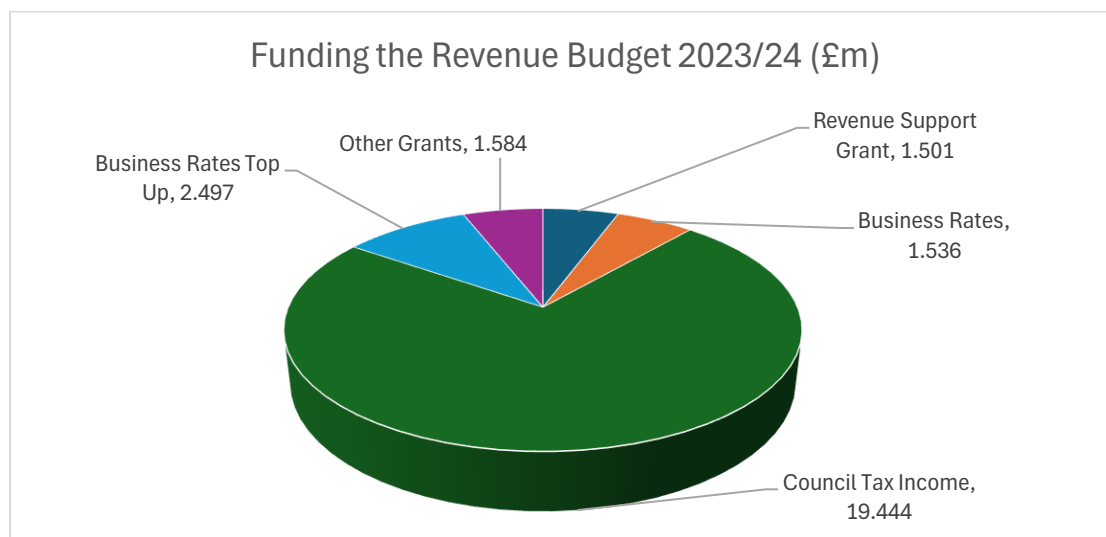
The Statement of Accounts will be audited by Grant Thornton during October and will be presented to the Standards, Audit and Performance Committee for approval in December. The Fire Authority agreed at its February 2012 meeting that the Statement of Accounts would be formally approved each year by its Audit and Performance Management Committee (now renamed as above), as those charged with governance.

This report informs the Authority of the outturn of the revenue account in 2023/24 and recommends the possible treatment for the balance on the General Fund. The year-end position could change following the audit.

4 Revenue Budget and Expenditure

In February 2023, Shropshire and Wrekin Fire Authority approved a revenue budget of £26.562m for 2023/24. This budget quantified the Service's strategic and operational plans, and the further subdivision into business areas also enabled individual business plans to be quantified, and achievements monitored.

The revenue budget for 2023/24 was funded as follows:



Additional grants were provided by the government to compensate for business rates reductions. These have been shown in the graph above within 'Other Grants'.

During 2023/24 the Fire Authority received regular updates on financial performance and approved changes of £2.003m to the revenue budget. Actual out turn on the revenue budget was £24.150; further variances of £409,000 were identified.

Efficiencies and other variances	£'000
Development pay	36
Control pay	44
Service Transformation pay	-36
Protection pay	35
Fleet and workshops	58
Development and training	-46
Income	-21
Technical Services and hydrants	32
Debt charges	36
Pensions	22
Other variances	-23
Contingency balance	215
Total	352

Slipped Income and Expenditure	£'000
Prevention initiatives	26
Protection grants and costs	31
Total	57

Income	£'000
Additional grant received	148
	148

5 Use of the General Fund Balance

The outturn on the revenue budget is held in the General Fund at the end of the year, and it has been the Authority's policy to allocate funds and reduce the balance to zero. This has been done by transferring part of the balance into current revenue budgets, to continue projects and work streams which are not completed, and allocating the remainder into Authority reserves.

In September 2014, the Strategy & Resources Committee recommended that future balances on the General Fund should be allocated to the Unearmarked Capital Reserve (subsequently renamed Major Projects Reserve), to fund major improvements at the Stafford Park site in Telford. This was approved by the Fire Authority in October 2014. However, in previous years, members have also transferred some of the balance to other reserves, such as Service Transformation Programme (STP) Staff Reserve, which has been used to transform the Service's IT infrastructure and systems, and Income Volatility Reserve, to safeguard against fluctuations in funding due to the pandemic.

General Fund Balance 2023/24

The balance on the General Fund at the end of 2023/24 is £2.560m. A total of £57,000 will be slipped to 2024/25, leaving a balance of £2.503m available for distribution to reserves. The majority of this balance is made up of several large variances, including:

	£000
Savings in debt charges, due to delays at Telford and no borrowing undertaken during the year	1,000
Lower on call activity costs, to be used for recommendations from on call sustainability review	500
Increased investment income due to higher rates of return, this will reduce as reserves are depleted	470
Support staff vacancies	204
Business rates refunds following appeals process	230
Balance of pay and price contingency	200
Wholetime overtime costs	-440
Other contingency balances	200
	2,364

In 2022/23, the Authority transferred the majority of the General Fund balance to the Major Projects Reserve, to provide further funding for capital schemes, including the outcomes of the proposed review of training facilities across the Service. Contributions were also made to the Operational Equipment, Training and Service Transformation Programme Staff Reserves.

Underspends have been reported in debt charges during the year as the Fire Authority has not yet borrowed for the Capital Programme. It is proposed that these savings are transferred to the Major Projects Reserve, as this will reduce loan charges going forward.

A contribution was made from the General Reserve during 2023/24, to cover back pay relating to newly introduced legislation covering holiday pay on overtime. It is recommended that this reserve is replenished to ensure that the Authority has resilience against further unexpected expenditure.

A number of senior officers have left or resigned from the Service during this financial year, and there are potential further changes likely during 2024/25. It is recommended that the balance of the General Fund is transferred to the Pensions and Other Staff Issues Reserve, to mitigate the impact of any future employment liabilities.

In summary, use of the General Fund balance from 2023/24 is recommended as follows:

	£'000
Major Projects Reserve	1,000
General Reserve	121
Pensions and Other Staff Issues Reserve	1,382
Total	2,503

The General Fund balance is subject to audit and therefore these figures may change.

6 Capacity

Whilst future capacity impacts are referenced, there are no issues arising from this report.

7 Financial Implications

Financial implications are outlined in the main body of the report.

8 Legal Comment

The Accounts and Audit (Amendment) Regulation 2020 was passed to amend the dates by which the Statement of Accounts must be approved and published. For the financial year 2021/22, draft statements must now be approved by 31 July 2022, with final audited accounts published by 30 September 2022.

9 Appendices

There are no appendices attached to this report.

10 Background Papers

There are no background papers associated with this report.