

Statement of Accounts 2022/23

Report of the Chief Fire Officer

For further information about this report please contact James Walton Treasurer, on 01743 2589185 or Joanne Coadey, Head of Finance, on 01743 260215.

1 Executive Summary

This report sets out the key revenue issues which have arisen from work on the Statement of Accounts 2022/23 and seeks approval for use of the General Fund balance in 2023/24.

2 Recommendations

The Fire Authority is recommended to:

- a) Note the final position of the revenue budget and the General Fund balance in 2022/23, and
- b) Approve use of the General Fund balance in 2023/24.

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 2023.

Officers have worked as closely as possible to the timetable for draft accounts, however the accounts were signed by the Treasurer and published on 5 June 2023.

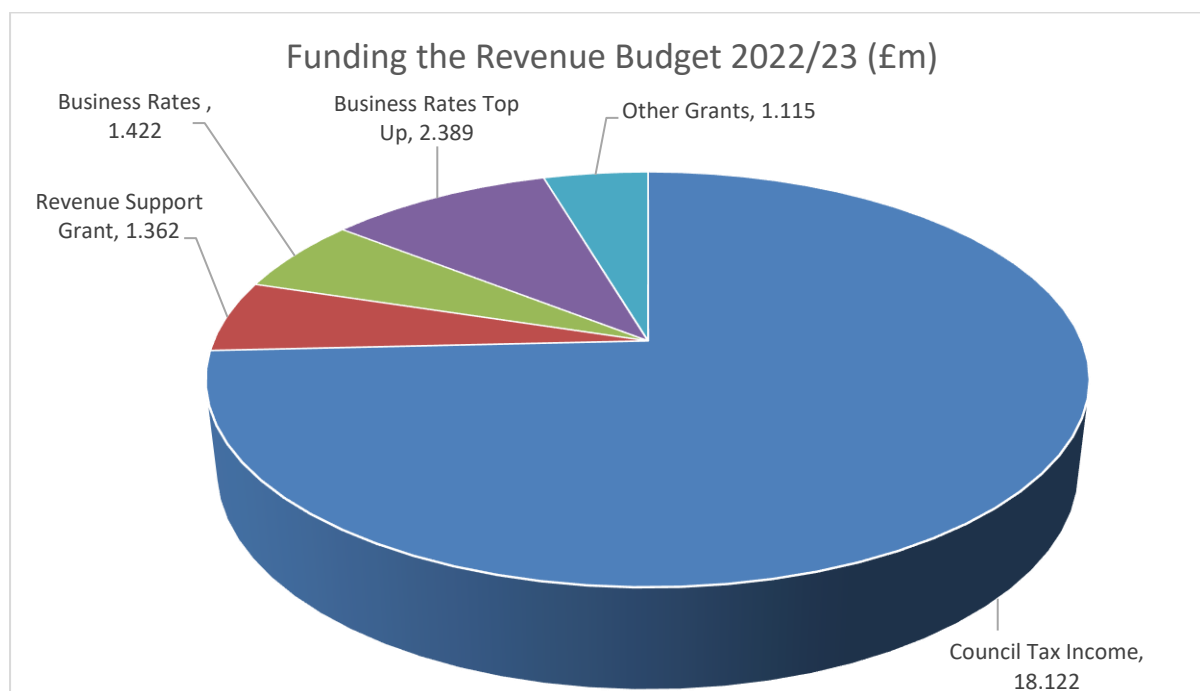
The Statement of Accounts will be audited by Grant Thornton during July and will be presented to the Standards, Audit and Performance Committee for approval in September. The Fire Authority agreed at its February 2012 meeting that the Statement of Accounts would be formally approved each year by its 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 2022/23 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 2022, Shropshire and Wrekin Fire Authority approved a revenue budget of £24.410m for 2022/23. 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 2022/23 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 2022/23 the Fire Authority received regular updates on financial performance and approved changes of £572,000 to the revenue budget. Actual out turn on the revenue budget was £23.259; further variances of £579,000 were identified.

Efficiencies and other variances	£'000
Firefighting and control pay	71
On call firefighting pay	20
Training pay	14
Resources pay	-28
Prevention pay	29
Corporate support and Human Resources pay	46
Other pay	23
Technical Services	-95
ICT	49
Operations	31
Other variances	-8
Contingency balance	162

Total	314

Slipped Income and Expenditure	£'000
Operations pay	15
Protection grants and costs	125
Audit grants	12
Community safety initiative set up costs	25
On call project costs	12
Building maintenance	56
Smoke alarms and costs	20
Total	265

Income	£'000
Additional grant received	572
	572

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 2022/23

The balance on the General Fund at the end of 2022/23 is £1.723m. A total of £265,000 will be slipped to 2023/24, leaving a balance of £1.458m available for distribution to reserves.

In 2021/22, the Authority transferred the majority of the General Fund balance to the Service Transformation Fund Staff Reserve; this was to provide capacity and expertise for the suite of strategic projects being undertaken by the Service. A further contribution is recommended to continue the projects which have now been prioritised – On Call Sustainability Review, Command and Control System and Resources Review – and to fund fixed term projects in other areas of the Service where additional capacity may be required.

The Training Reserve and the Equipment Maintenance Reserve have been used successfully to smooth expenditure in the revenue budget, by funding additional and unexpected costs during the year. It is recommended that a contribution is made to these reserves for this budget management to continue.

Work has continued on the major refurbishment of the training centre and fire station at Telford. Significant technical issues have been identified with the existing structure which will result in additional time being taken and cost incurred, with a likely final cost of £15m.

The next major project embarked upon by officers is a review of training facilities across the Service, and it is proposed that surplus funds identified in future years are earmarked for this project.

Underspends have been reported in capital charges during the year as the Fire Authority has not yet borrowed for the Capital Programme. These savings have been transferred to the Major Projects Reserve, as this will reduce loan charges going forward.

It is recommended that the balance of the General Fund is transferred to this reserve to release further efficiencies in funding the Capital Programme.

In summary, use of the General Fund balance from 2022/23 is recommended as follows:

	£'000
Major Projects Reserve	908
STP Staff Reserve	250
Training Reserve	150
Equipment Replacement Reserve	150
Total	1,458

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 Fire Alliance / Collaboration / Partnership Working

There are no comments relating to the report.

8 Financial Implications

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

9 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.

10 Community Safety

There are no community safety impacts arising from this report.

11 Environmental

There are no environmental impacts arising from this report.

12 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An e-EQIA is not, therefore, required.

13 Health and Safety

There are no health and safety impacts arising from this report.

14 Fire Standard Core Code of Ethics and Human Rights (including Data Protection)

There are no impacts on compliance with the Fire Standards Core Code of Ethics or human rights arising from this report.

15 ICT

There are no ICT impacts arising from this report.

16 Insurance

There are no insurance impacts arising from this report.

17 The On-call Service

There are no impacts on the On-call service arising from this report.

18 Public Value / Service Delivery

There are no public value or service delivery impacts arising from this report.

19 Reputation

There are no reputational impacts arising from this report.

20 Security

There are no security impacts arising from this report.

21 Training

There are no training impacts arising from this report.

22 Appendix / Appendices (delete as appropriate)

There are no appendices attached to this report.

23 Background Papers

There are no background papers associated with this report.