

## Statement of Accounts 2021/22

### 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 2021/22 and seeks approval for use of the General Fund balance in 2022/23.

### 2 Recommendations

The Fire Authority is recommended to:

- a) Note the final position of the revenue budget and the General Fund balance in 2021/22, and
- b) Approve use of the General Fund balance in 2021/22.

### 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. However due to the Coronavirus pandemic, 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.

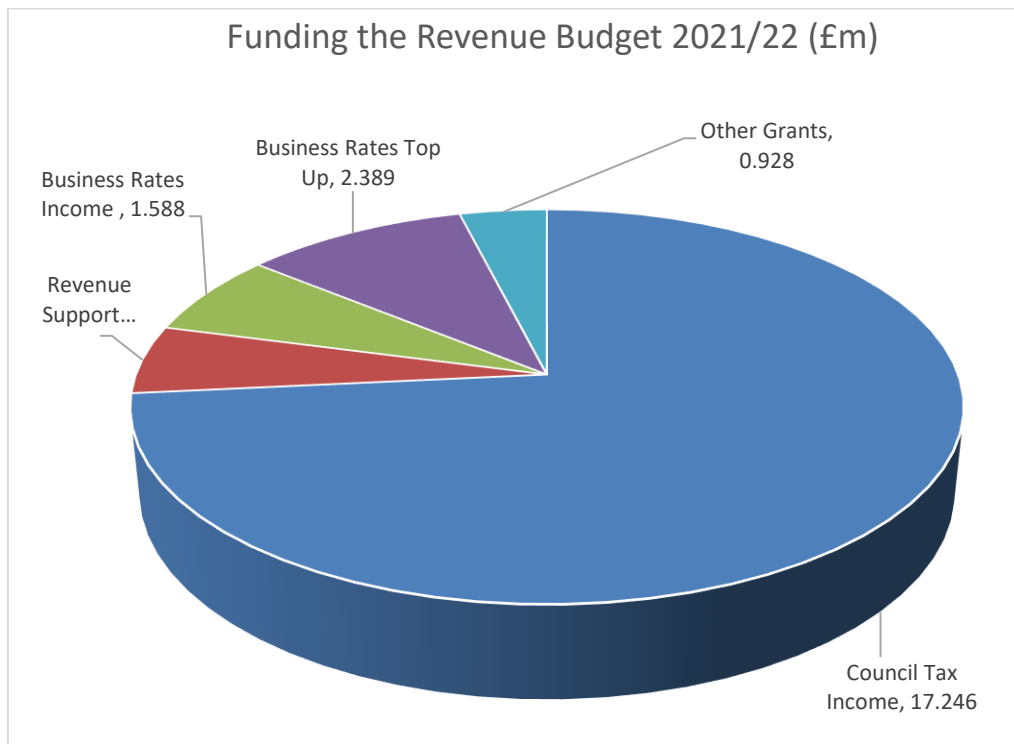
Officers have worked as closely as possible to the original timetable for draft accounts. It is likely that the accounts will be signed off by the Treasurer by the end of this week.

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 2021/22 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 2021, Shropshire and Wrekin Fire Authority approved a revenue budget of £23.473m for 2021/22. This budget quantified the Service's strategic and operational plans, and the further sub-division into business areas also enabled individual business plans to be quantified, and achievements monitored.



Additional grants were provided by the government to compensate for low council tax base income and large deficits on business rates collection fund. These have been shown in the graph above within the 'Council Tax Income' and 'Business Rates Income' categories.

Given the ongoing uncertainty surrounding the mid to late years of the planning period, members were advised to approve a budget for 2021/22 and task officers to update scenario planning as and when more details on future years became available.

Following consideration of the options presented, members approved a revenue budget for 2021/22 and a precept increase of £1.95 per year, or 1.9%.

During 2021/22 the Fire Authority received regular updates on financial performance and approved net changes of £478,000 to the revenue budget (including those considered at this meeting). Actual outturn on the revenue budget was £22.350m; underspends of £645,000 were identified and are detailed below. This consisted of unspent balances on budgets (£338,000) and also anticipated expenditure that will be slipped into 2022/23 (£307,000). The Authority also received £50,000 in additional grant income.

<b>Efficiencies and other variances</b>	<b>£'000</b>
Firefighting and control pay	109
Prevention pay	50
Corporate Support pay	25
Operations pay	-63
Training and Development pay	-16
ICT Pay	30
Resources pay	-32
Service development and transformation pay	36
Contingency balance	124
Financial services and income	-27
Corporate services	26
Grants	36
Human Resources and EDI	16
Other variances	24
<b>Total</b>	<b>338</b>

<b>Slipped Expenditure</b>	<b>£'000</b>
Covid 19 support grant - grant received in 21/22 but the associated expenditure to occur in 22/23	68
Protection grants - grant received in 21/22 but the associated expenditure to occur in 22/23	140
On call sustainability project – academic support	26
Development	39
Prevention salaries for continued projects	7
Legal fees	22
Corporate communications	5
<b>Total</b>	<b>307</b>

<b>Income</b>	<b>£'000</b>
Additional government grant received	50

## 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 and 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 2021/22**

The balance on the General Fund at the end of 2021/22 is £1.173m. A total of £307,000 will be slipped to 2022/23, leaving a balance of £866,000 available for distribution to reserves.

As work continues on the major refurbishment of the training centre and fire station at Telford, and other schemes within the general capital programme, capital reserves stand at £9.1m as at 31 March 2022. No borrowing has yet been undertaken for these schemes and the most appropriate allocation of funding across the schemes from the reserves will be determined as it becomes necessary.

The Authority was informed in February that a suite of six projects that will begin during 2022/23; this has been increased to seven, to include a review to increase capacity and engagement activity to target changing rural risk.

This programme of projects will require significant capacity as well as technological resources to enable successful completion and outcomes, and eventual investment. The Authority approved a one-off increase of £200,000 in the revenue budget for 2022/23 to enable these projects. It is proposed that the balance on the General Fund is also earmarked for transformation by a transfer to the Strategic Transformation Board Staff Reserve. Officers will review progress and inform members where these funds are required to support project areas other than staff, following submission of a robust business case.

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

## **6 Financial Implications**

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

## **7 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.

## **8 Equality Impact Assessment**

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

## **9 Appendices**

There are no appendices attached to this report.

## **10 Background Papers**

There are no background papers associated with this report.