

# GREATER MANCHESTER POLICE, CRIME AND FIRE PANEL

**Date:** 12<sup>th</sup> June 2023

**Subject:** Greater Manchester Fire and Rescue Service Revenue and Capital  
Provisional Outturn 2022/23

**Report of:** Deputy Mayor for Police, Crime, Criminal Justice Services and Fire

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## PURPOSE OF REPORT

To update the Panel on the 2022/23 provisional financial position of Greater Manchester Fire and Rescue Service at the end of March 2023 (Outturn).

## RECOMMENDATIONS:

The Panel is requested to note the provisional financial position as at the end of March 2023.

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## 1. INTRODUCTION

1.1. The report details the provisional position to 31st March 2023, covering Mayoral Greater Manchester Fire and Rescue budget (GMFRS). It provides an analysis of the significant forecast variances in year compared to approved budget and seeks approval for revisions to the budget.

## 2. REVENUE

2.1. The revenue position at March 2023 is summarised in the table below with further detail on the variance provided in the report.

2.2. The 2022/23 budget for GM Fire and Rescue Service (GMFRS) set in February 2022 was approved at £119.543m. The draft revenue outturn position at March 2022 is a breakeven position:

<b><u>GMFRS Budget 2022/23</u></b>	<b><u>Approved</u></b>		
<b><u>Draft Outturn</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expenditure:</b>			
Employees	91,215	95,523	4,308
Indirect Employees	1,940	1,795	-145
Premises	4,875	6,480	1,605
Transport	2,196	2,411	216
Supplies & Services	8,481	8,886	405
Support Services	7,343	7,850	507
Government Grants	-769	-1,262	-493
Tfr to/from Provision	0	-2,100	-2,100
Other Grants & Contributions	-215	-109	106
Customer & Client Receipts	-2,460	-1,585	875
Capital Financing Costs	1,692	1,067	-625
Tfr to Earmarked Reserve	5,245	1,723	-3,522
<b>Total Expenditure</b>	<b>119,543</b>	<b>120,679</b>	<b>1,136</b>
<b>Funded by:</b>			

**BOLTON**  
**BURY**

**MANCHESTER**  
**OLDHAM**

**ROCHDALE**  
**SALFORD**

**STOCKPORT**  
**TAMESIDE**

**TRAFFORD**  
**WIGAN**

Localised Business Rates	-9,521	-9,521	0
Baseline Funding	-43,131	-43,399	-269
Section 31 - Business Rates	-5,300	-5,226	74
Section 31 - Pension Related	-5,605	-5,605	0
Precept Income	-55,429	-55,429	0
Collection Fund Surplus/Deficit	2,637	2,637	0
Trf from Earmarked Reserve	-3,194	-4,136	-941
<b>Total Funding</b>	<b>-119,543</b>	<b>-120,679</b>	<b>-1,136</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

2.3. The breakeven position is after a reduction in the planned transfer to reserves from £5.245m to £1.296m. The position excluding this line would have resulted in an overspend of £3.949m, the majority of which is in relation to pay award.

#### Employee Related

2.4. Employees pay and pensions is an overspend of £4.308m. This includes pay award for both uniformed and non-uniformed employees. The pay award budget was set at 2% for both staff groups, however, uniformed staff pay award was agreed at 7% and non-uniformed at £1,925.00 per whole time equivalent.

2.5. The overspend also includes settlement amounts paid in respect of Bear Scotland v Fulton, for which, a drawdown from the specific provision has been made.

#### Non-pay related

2.6. Indirect employee allowances position is broadly within budget with minor training cost underspend of £145k.

2.7. Premises related expenditure is an overspend of £1.605m mainly in the areas of utilities and fuel. A budget increase was provided for in this area of spend, however, costs are significantly more than predicted at the time of budget setting.

- 2.8. Transport related costs reflects the increase in fuel costs within the financial year, resulting in an overspend of £216k.
- 2.9. Supplies, services and other expenditure is forecast at an overspend of £405k, mainly as a result of contract price increases, primarily within the areas of ICT and operational equipment.
- 2.10. Support services budget incorporates the recharges for central support services received from the wider Combined Authority. Further charges for specific additional support from HROD for the whole-time firefighter recruitment and selection process and communications for various projects and strategies outside of central recharges have been forecast which result in an overspend of £507k.

#### Capital Financing Costs

- 2.11. Following the implementation of a revised policy, consistent for the whole Combined Authority, capital financing costs have been re-calculated on an annuity basis using final capital spend within 2021/22, resulting in an underspend of £625k.

#### Income

- 2.12. Income has underachieved by £488k mainly due to the part year effect of cohort numbers within the Princes Trust programme as reported at quarter 3, lower than predicted income against insurance costs, for which, specific reserves have been utilised and lower than estimated apprenticeship levy income.

#### Reserves

- 2.13. The overall net movement on reserves, excluding the reduction to the planned transfer to reserves as set out in paragraph 2.3 is increased utilisation of £514k against budget. The majority of this is in relation to protection grants plus earmarked reserves in respect of insurance costs.

## Overall Revenue Position

2.14. The overall position is breakeven after a transfer to capital fund reserve of £1.295m as set out in paragraph 2.3.

### 3. CAPITAL

3.1. The 2022/23 budget for GMFRS in February 2023 (quarter 3) was approved at £13.375m. The draft capital outturn position at March 2023 is an expenditure of £9.711m, a variance of £3.663m. The table below provides a summary of the position:

<b><u>Capital Monitoring 2022/23 - Draft</u></b>	<b><u>Approved</u></b>		
<b><u>Outturn</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
	£000	£000	£000
Estates	5,661	5,158	-503
Transport	1,662	1,663	0
ICT	2,617	1,400	-1,217
Equipment	2,140	894	-1,246
Sustainability	484	226	-258
Health & Safety	83	83	1
Waking Watch	728	287	-441
<b>Total</b>	<b>13,375</b>	<b>9,711</b>	<b>-3,664</b>

#### Estates

3.2. Estates underspend of £503k is mainly in relation to the reprofile of works across the various phase 1 estates strategy projects, the remaining budget has been slipped to 2022/23.

#### Transport

3.3. Transport is within budget as forecast at quarter 3. The value of spend is in relation to the purchase of the high reach extendable turret vehicle, the polaris vehicles for wildfire capability and first stage payments for 12 fire appliances.

ICT

3.4. There are 3 main areas of slippage within the ICT capital programme:

- PfC investment
- Emergency services mobile communication project
- Local full fibre network (LFFN)

3.5. An assessment of the remaining PfC Investment will be undertaken within quarter 1 2023/24 to ascertain the future plan and requirement of the budget.

3.6. The emergency services mobile communication project has been paused by government, however, local requirements may be needed, therefore, a remaining budget need.

3.7. The majority of the budget has been utilised within the LFFN project, the residual budget will be utilised early 2023/24 when the remaining spend is expected.

Equipment

3.8. A number of small capital projects within the equipment programme have slipped into future years as a result of supply chain issues, however, all projects are underway and are progressing.

Sustainability

3.9. The budget allocation for 2022/23 in respect of on-going sustainability requirements has remained unspent due to the focus on specific projects in relation to the Public Sector Decarbonisation Scheme (PSDS). It is proposed that the allocation is rolled to 2023/24.

### Waking Watch Relief Fund (WWRF)

3.10. The relief fund element of the waking watch project has been utilised with a small underspend in year, however, the replacement fund spend is yet to be incurred. Work is underway to identify and assess bids and distribution of the funding made available for the City Region for the replacement of waking watch through the installation of alarm systems.

3.11. The remaining budget from 2022/23 will roll forward to 2023/24 fully funded by Government.

### 2022/23 Capital Funding

3.12. The main element of funding is from borrowing alongside revenue contributions from specific grants in relation to marauding terrorist attack (MTA) equipment spend and grant in relation to PSDS. The breakdown of the funding is shown below:

<b><u>Funding</u></b>	<b><u>£000</u></b>
Grant	-614
RCCO	-285
Borrowing	-8,811
<b>Funding</b>	<b>-9,711</b>