

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	POLICY AND RESOURCES COMMITTEE		
DATE:	24 JULY 2025	REPORT NO:	DFP/08/2526
PRESENTING OFFICER	DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA		
RESPONSIBLE OFFICER:	DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA	REPORT AUTHOR:	DIRECTOR OF FINANCE AND PROCUREMENT, MIKE REA
OFFICERS CONSULTED:	STRATEGIC LEADERSHIP TEAM		
TITLE OF REPORT:	REVENUE & CAPITAL OUTTURN 2024/25		

APPENDICES:	APPENDIX A1- A4: 2024/25 REVENUE BUDGET TO ACTUAL APPENDIX B: 2024/25 CAPITAL BUDGET TO ACTUAL
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Purpose of Report

- The purpose of this report is to report upon the Authority's year-end financial position for 2024/25.

Recommendation

- It is recommended that Members;
 - note that actual revenue spend compared to the approved budget delivered a net underspend of £3.936m before the creation of year-end reserves, as outlined in Appendix A1.
 - approve that this underspend be used to;
 - create the required year-end reserves of £0.333m to fund projects that have slipped from 2024/25 into 2025/26, and
 - increase the General Revenue Reserve by £0.200m, and
 - create a new reserve for carbon net zero of £2.000m to contribute towards the costs associated with investing in carbon zero renewables and initiatives, to reduce carbon emissions and reduce energy costs, and
 - increase the capital investment reserve by £1.403m, in order to offset capital cost inflationary pressures and reduce planned borrowing to free up revenue budget associated with debt servicing costs.

- c) approve the re-phasing of planned capital spend from 2024/25 into future years of £13.899m, (£11.900m relates to National Resilience Asset Refresh), as outlined in Appendix B; and
- d) approve committed reserves of £13.569m and a general reserve of £3.900m as outlined in Appendix A4.

Executive Summary

The Authority approved a five-year medium-term financial plan (MTFP) at the Budget Authority meeting on 29th February 2024. The approved MTFP delivered a balanced revenue budget of £74.191m for 2024/25 based on key budget assumptions around costs, in particular a 2024/25 pay award of 3% for all staff.

The MTFP included a planned £35.871m five-year capital programme funded by £29.631m of borrowing with the balance coming from specific resources.

The Authority has a strategy of maximising any savings in the year in order to fund increases in reserves or additional debt payments to free up budget in order to act as a hedge against future financial challenges or fund infrastructure investment.

The final accounts of the Authority have now been completed and after taking into account the need to create £0.333m year-end reserves a £3.603m underspend on the revenue budget has been identified. The report proposes using the underspend to;

- i. increase the General Revenue Reserve by £0.200m, and
- ii. create a new reserve for carbon net zero of £2.000m to contribute towards the costs associated with investing in carbon zero renewables and initiatives, to reduce carbon emissions and reduce energy costs, and
- iii. increase the capital investment reserve by £1.403m in order to offset capital cost inflationary pressures and reduce planned borrowing to free up revenue budget associated with debt servicing costs.

At the year-end, committed reserves stood at £13.569m and the General Fund balance will be increased to £3.900m following the above adjustment.

Capital spend was £13.790m resulting in a variance of £14.294m against the £28.084m budget for 2024/25. The variance can be broken down into:

- A £13.899m re-phasing of planned spend from 2024/25 into future years, requiring the carry forward of capital budget.
- A net underspend and saving on capital projects of £0.395m.

As expected, no new borrowing was taken out in the year.

Introduction and Background

3. This report sets out the actual financial performance of the Authority compared to the approved 2024/25 revenue and capital budgets.
4. The delivery of the 2024/25 budget and approved financial plan was monitored closely during the year and Members received quarterly financial review updates. The last financial review report, CFO/80/24, went to the Community Safety and Protection Committee on 30th January 2025, and covered the period up to December 2024. This report now provides Members with the position up to the end of the 2024/25 financial year, (31 March 2025), and covers the quarter four revenue, capital, and reserve budget adjustments and outturn position.

MTFP / Budget Assumptions:

5. The financial plan made a number of assumptions around future costs and funding, including:-
 - Annual pay awards of 3% in 2024/25 and 2.5% in 2025/26 and future years,
 - A 3% per annum general price inflation, 6.7% for outsourced services and 4% on energy costs and fuel,
 - That all approved saving options would continue to deliver the required savings,
 - No unavoidable revenue growth would materialise in the year,
 - Capital borrowing costs would be contained within the approved revenue budget,
 - Council Tax and local Business Rates income yield would be consistent with the estimated figures provided by billing authorities, and
 - Committed reserves would be sufficient to offset the relevant associated risks and planned project spend.
6. The previous quarterly financial review update advised Members that the expected pay increases meant the MTFP assumptions would not be achievable. The previous reports advised that the firefighters pay award was agreed at 4%, 1% higher than the 3% included as a budget assumption for 2024/25 and the non-operational staff received the higher of £1,290 or 2.5% increase (this ranged from a 5.7% on point 2 and 2.5% on point 43). The additional pay awards for firefighters and non-operational staff equate to an additional cost of £0.490m. For 2024/25 the additional pay cost could be contained within the budget due to vacancy savings.
7. In summary, the key assumptions, with the exception of the pay, were found to be robust and all costs were contained within the available budget.
8. The rest of this report will now review the budget movements and the financial performance for 2024/25.

Revenue Budget Movements:

9. The Revenue Budget for 2024/25 was set at £74.191m.
10. Further budget amendments have been made since the last financial review report CFO/80/24. These were;
 - A net reduction in reserves of £0.352m;
 - As planned, £0.150m was drawn down from the Retrospective Holiday Reserve to cover 2023/24 salary payments in relation to amounts paid for periods of holidays, which need to reflect average yearly earnings.
 - A further £0.172m was drawn down from the Energy Reserve and vired into the Capital Programme to cover the planned LED lighting upgrade to Service Headquarters and the Joint Control Centre.
 - A further £0.030m was drawn down from the Training Reserve for additional training requirements towards year end.
 - A number of self-balancing virements within the revenue account;
 - Current policy is to capitalise salary related smoke alarm installation costs and use the “saving” on the employee line to increase the capital financing line to cover the capital cost via a revenue contribution to capital. As capitalised salary costs exceeded the original estimate £0.375m by £0.084m, due to the number of alarms being installed, the salary budget was reduced and the revenue funded capital expenditure line increased by £0.084m.
 - The Service encourages blue light partners (Merseyside Police/NWAS) to locate their services in SHQ and fire stations. Partners pay a service charge to cover running costs, including utilities. The additional running cost recharge led to an increase of £0.159m in the rent/service charge income and this funded an increase in the premises utility budget to cover costs associated with blue light partner accommodation.
 - £0.157m was vired from the inflation provision to increase non-operational staff pay, estates variable costs, pension administrator costs and ICT provider costs.
 - The National Resilience Assurance budget was increased £3.423m at the year-end to reflect additional commitments.
 - A number of small virements were implemented in the year to re-align budgets to reflect actual planned spend.

These changes are summarised in the table below:

	Original Budget	Approved Qtr 3 Budget	Qtr 4 Amend-ments	Final Budget	Original to Final Budget Movements
	£'000	£'000	£'000	£'000	£'000
Net Expenditure					
Fire Service	71,459	75,779	506	76,285	4,826
Corporate	593	639	3	642	49
National Res. Assurance	0	0	0	0	0
	72,052	76,418	509	76,927	4,875
Interest on Balances	-300	-450	0	-450	-150
Inflation Provision	2,007	212	-157	55	-1,952
Contribution (from) to Reserves	432	-1,989	-352	-2,341	-2,773
Total Net Expenditure	74,191	74,191	0	74,191	0
Funded By					
Government Support	-38,326	-38,326	0	-38,326	0
Collection Fund Bus Rates / Council Tax Deficit	-294	-294	0	-294	0
Council Tax	-35,571	-35,571	0	-35,571	0
	-74,191	-74,191	0	-74,191	0

2024/25 Revenue Outturn Position:

- The table below summarises the actual revenue position for 2024/25, excluding the National Resilience Assurance (NRAT) as that is 100% funded from the Government and relates to national and international rather than MFRS funded initiatives, *(any year-end variances associated with NRAT are carried forward and belong to the Central Government)*. **Appendix A1 to A3** provides a more detailed analysis of the budget to actual variances:

	Fire Service Budget	Fire Authority / Corporate Mgt	Total Budget	Actual (before Year-end reserves / adjustments	Variance	Year-End Reserves	Variance Post Reserves / Adjustment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure							
Employee Costs	63,138	407	63,545	62,602	-943	0	-943
Premises Costs	4,197	0	4,197	4,033	-164	0	-164
Transport Costs	1,504	0	1,504	1,400	-104	0	-104
Supplies & Services	3,830	22	3,852	3,671	-181	63	-118
Agency Services	7,571	0	7,571	7,472	-99	147	48
Central Support Services	551	213	764	906	142	0	142
Capital Financing	12,120	0	12,120	12,084	-36	0	-36
Income	-16,626	0	-16,626	-17,932	-1,306	123	-1,183
Net Expenditure	76,285	642	76,927	74,236	-2,691	333	-2,358
Contingency Pay & Prices	55	0	55	0	-55	0	-55
Interest on Balances	-450	0	-450	-1,640	-1,190	0	-1,190
	75,890	642	76,532	72,596	-3,936	333	-3,603
Movement on Reserves	-2,341	0	-2,341	-2,341	0	0	0
Overall Financial Position	73,549	642	74,191	70,255	-3,936	333	-3,603

12. The Authority has a strategy of maximising any savings in the year in order to fund increases in reserves or additional debt payments that may free up future budgets to fund infrastructure investment or act as a hedge against future financial challenges. After taking into account the year-end earmarked reserve requests of £0.333m, net expenditure was £3.603m lower than the budget. The £3.603m underspend on the revenue budget has been used to fund an increase in the General Revenue Reserve of £0.200m, to create a new reserve for carbon net zero of £2.000m to contribute towards the costs associated with investing in carbon zero renewables and initiatives, and increase the Capital Investment Reserve by £1.403m in order to offset capital cost inflationary pressures and reduce planned borrowing to free up revenue budget associated with debt servicing costs. After taking these reserve adjustments into account the Authority's overall expenditure is consistent with its budget.
13. The main revenue variations after year-end reserve requests, (outlined within the reserve section of this report), were:

Employee Costs, -£0.943m (1.48%) favourable variance –

- **Non-operational** vacancies and staff not being at the top of their budgeted grade meant a direct employee saving of £0.398m.
- **Firefighter** vacancies, staff not being at the top of the budgeted grade, a saving on the retrospective holiday payment and a saving from a number of roles being funded by the Protection Uplift Grant meant a direct employee saving of £0.451m.

- The balance is made up from smaller variances over a number of non-direct employee budgets such as employee insurances, training expenses, injury pensions and ill health retirement charges.

Premises Costs, -£0.164m (3.91%) favourable variance –

- Much of the favourable variance relates to business rates £0.131m and water charges £0.090m, the Authority is waiting on updated costs for the Training & Development Academy and Croxteth Fire Station. Energy charges were £0.072m higher than forecast (£0.049m on electricity and £0.023m on gas).

Transport Costs, -£0.104m (6.91%) favourable variance –

- Small underspends on vehicle lease costs £0.031m, other transport costs £0.037m (which was predominantly a saving on fuel), mileage claims £0.015m and direct transport costs which includes repairs/servicing to plant and conversion work.

Supplies and Services, -£0.118m (3.06%) favourable variance –

- Small savings on training supplies (whilst the Training & Development Academy became fully operational), health & safety provision and computing were offset by a small overspend on uniforms resulting in a net saving.

Agency Services, £0.048m (0.63%) adverse variance.

- Small overspend on estates service provider variable costs for additional works required in 2024/25.

Central Support Services, £0.142m (18.59%) adverse variance.

- Small adverse variance on external audit fees, the majority of the remaining amounts relate to Training and Development Academy recharges for catering.

Capital Financing, -£0.036m (0.30%) favourable variance.

- Payments on debt were slightly lower than forecast.

Income (*including interest on balances*), £2.373m (13.89%) favourable variance.

- Increase in specific grants was £0.424m greater than the budget:
 - The Authority received a payment of £0.400m from the Home Office following a Competition Appeal Tribunal (the Tribunal) decision in December 2023 to uphold the Competition and Markets Authority (CMA)'s decision to impose a charge control mechanism on Motorola in respect of the revenue Airwave can earn from its charges. Motorola went on to lodge an application for permission to appeal the Tribunal's decision to the Court of Appeal (CoA), however this was unsuccessful. Home Office distributed the credits being held on behalf of the sector in relation to the shares paid, at year end.
- Fees and charges income was £0.456m greater than the budget:

- The Authority received additional income for the work it carried out on behalf of National Resilience, Long Term Capability Management and International Search & Rescue. Additional income was also received for work the Protection Department carried out as part of the Primary Authority Scheme, the Building Safety Regulator and also a contribution from Cumbria FRA for development work relating to CFRMIS. The Authority received additional funding towards ICT and Fire Control for the additional work on National Resilience.
- Rents were £0.353m higher than budget due to additional income from shared accommodation with NWS and Merseyside Police.
- With interest rates remaining high during the year and the excellent work from the Treasury Management Team the Authority has increased the interest earned on investments and balances significantly higher than the budget, £1.190m.
- The balance, -£0.050m, is due to small variances on other income and contributions.

Capital Programme Budget:

14. The Budget Authority meeting approved a five-year capital investment programme (2024/25 – 2028/29), of £35.871m, with a planned expenditure in 2024/25 of £10.958m. During the year members' approved adjustments to the programme to reflect various re-phasing of schemes and other adjustments. Following the approval of the April – December 2024 financial review report the five-year capital programme increased to £54.547m, with a planned spend in 2024/25 of £24.628m.
15. In the last quarter, January to March 2025, the planned spend for 2024/25 increased by £3.456m to £28.084m, however, the 5-year programme actually increased by £3.473m to £58.020m. Also, a number of capital receipt schemes were re-phased from 2024/25 into 2025/26. A summary of the quarter 4 changes is outlined below.
 - The Authority manages National Resilience asset refresh budget on behalf of Home Office and receives 100% funding for the scheme. In January 2025 Members of the Community Safety Committee approved the procurement of Powered Respirator Protective Suits CFO/75/24, this increased the capital budget by £3.200m. The capital programme also includes a small increase in IT equipment for National Resilience of £0.009m.
 - As discussed in paragraph 10, a £0.172m drawdown from the Energy Reserve increased the capital budget for planned lighting upgrade to Service Headquarters and the JCC; the changes also include an increase in ICT equipment £0.08m; smoke alarm installation £0.084m. All increases were funded from the directorate revenue budget contributions.
 - The sale of a number of assets were slipped into 2025/26, from the final quarter of 2024/25.

- The total level of budgeted borrowing increased as a result of the rephasing of capital receipts from £1.698m in quarter 3 to £3.567m in quarter 4.
16. The overall movement in the capital programme reflects the re-phasing of major schemes over the 2024/25 to 2028/29 period and the approved amendments included within the quarterly financial review reports. These changes are summarised in the table overleaf:

Movement in the 2024/25 – 2028/29 5-Year Capital Programme

Capital Expenditure	Original Budget	Approved Qtr 3 Budget	Qtr 4 Amendments	Final Budget	Original to Final Budget Movements
	£'000	£'000	£'000	£'000	£'000
Building & Land	10,774	13,546	172	13,718	2,944
Fire Safety	3,175	3,175	84	3,259	84
ICT	5,350	6,920	17	6,937	1,587
NRAT Resilience Assets	0	12,948	3,200	16,148	16,148
Operational Equip & Hydrants	6,746	7,224	0	7,224	478
Vehicles	9,826	10,734	0	10,734	908
	35,871	54,547	3,473	58,020	22,149

Capital Funding	Original Budget	Approved Qtr 3 Budget	Qtr 4 Amendments	Final Budget	Original to Final Budget Movements
	£'000	£'000	£'000	£'000	£'000
Specific Non-Borrowing	6,240	24,259	3,473	27,732	21,492
Borrowing	29,631	30,288	0	30,288	657
	35,871	54,547	3,473	58,020	22,149

2024/25 Capital Expenditure.

17. Capital spend for the year was £13.790m, resulting in a variance of £14.294m against the £28.084m budget. The reason for the variance can be broken down into:
- A £13.899m re-phasing of planned spend from 2024/25 into future years, requiring the carry forward of capital budget.
 - A net underspend and saving on capital projects of £0.395m.
18. As expected, no new borrowing was taken out in the year. A summarised capital programme outturn position statement is outlined below:

2024/25 Capital Budget Outturn Position

	Final Budget	Actual	Variance	Use of Variance		
				Rephasing into future years	Saving	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Expenditure						
Building & Land	6,724	5,836	-888	-801	-87	-888
Fire Safety	719	646	-73	0	-73	-73
ICT	2,181	1,441	-740	-591	-149	-740
NRAT Resilience Assets	16,148	4,248	-11,900	-11,900	0	-11,900
Operational Equip & Hydrants	1,081	685	-396	-381	-15	-396
Vehicles	1,231	934	-297	-226	-71	-297
	28,084	13,790	-14,294	-13,899	-395	-14,294
Capital Funding						
Specific Non-Borrowing	24,517	12,578	-11,939	-11,900	-39	-11,939
Borrowing	3,567	1,212	-2,355	-1,999	-356	-2,355
	28,084	13,790	-14,294	-13,899	-395	-14,294

19. The explanation for the year-end re-phasing of capital schemes into 2024/25 is outlined in the table below

Re-phasing £'m	Scheme	Explanation
0.135	Refurbishment of Bromborough Fire Station	Refurbishment has been completed; the budget is to cover the 12-month retention payment.
0.092	Community Station Investment	Budget is to cover ongoing development works.
0.574	Ongoing external & internal building repairs / replacement / refurbishment works	Re-scheduling of programme due to the current assets conditions, awaiting results from surveys, quotes, with balance to cover 2024/25 order balances and retentions.
0.145	ICT Software	Mitel Software upgrade and SQL Upgrade delayed due to capacity and licencing budgets have been rephased.
0.103	ICT Hardware	Trials are currently ongoing for potential replacements for Surface laptop devices and additional hardware requirements at the Training & Development Academy.
0.150	Financial Management Information Application	Application upgrade demonstrations are currently taking place on the various upgrade options, with a final decision to be made in 2025/26.
0.193	ICT Operational Equipment and systems projects and	Request to replace spare devices, application ongoing developments and

	development, including Enhance Mobilisation	updates, including the remaining work on enhanced mobilisation.
0.113	Hydraulic Rescue Equipment	Equipment changes proposed in 2025/26, so held off upgrading in 2024/25. Funding to be used to offset new equipment purchases across the fleet, which will have trackers fitted.
0.087	Improvements to Fleet	Expenditure was delayed in order to utilise new contracts 2025/26 and additional equipment is required for the 33rd and 34th fire appliance.
0.181	Operational Equipment	Funding required for the new BA support provision following the removal of the BA Support Unit. Rope gear and radiation/gas detection equipment is also due to be replaced this year, along with various other small items of equipment.
11.900	National Resilience Assurance Team Asset Refresh	The Authority acts as the lead authority for the MHCLG for the procurement of national resilience assets. The majority of the budget is committed for the purchase of Urban Search & Rescue First Response Vehicles and specialist equipment, and chemical protective suits, expected to be delivered in 2025/26.
0.097	Ancillary Vehicles	Life extended on transit vans, orders to be placed in 2025/26. Crew van for drone ordered and additional vehicle trackers to be purchased in 2025/26.
0.078	Special Vehicles	Final stage payment for HRET (High Reach Extendable Turret) vehicle and additional conversion work is required.
0.051	Workshop Equipment and Marine Fire 1	New workshop equipment is required once the machine shop refurbishment has been completed and new radar and navigation equipment to be purchased for Marine Fire 1.
13.899		

20. A full detailed breakdown of the 2024/25 capital budget movements, year-end variances and proposed slippage can be found attached to this report as Appendix B.

Anticipated Reserves:

21. The 2024/25 Budget Authority approved a reserves strategy that maintained a General Reserve of £3.000m and had anticipated £10.611m of committed earmarked reserves at the start of 2024/25.

22. After taking into account the committed reserves movements at the end of 2023/24, reserves at the start of 2024/25 increased by £1.563m, and the revised opening committed reserves figure for 2024/25 was £12.174m. The General Reserve was also increased by £0.700m to £3.700m.

2024/25 Movement on Reserves.

23. The value of committed reserves in the last quarterly financial review report was £10.185m, and the final outturn balance is £13.569m, an increase of £3.384m. The increase relates to;
24. Quarter four planned use of reserves (as outlined in paragraph 10) resulting in a net reduction in reserves of £0.352m. (Retrospective Holiday Pay Reserve -£0.150m, Energy Reserve -£0.172m and Training Reserve -£0.030m).
25. At the year-end budget managers review their year-end position and if relevant request reserves to carry forward funds to meet spend now expected in 2025/26 or future years. Year-end reserves of £0.333m have been created to cover;
- a. Any unplanned work at PFI stations incurs a variation charge to the unitary charge payment. In the early stages of the PFI contract, these charges were often offset by penalty charges imposed by the Service on the PFI provider. This is not expected to be the case going forward and the Capital Investment Reserve has been increased by £0.147m to cover future variation payments.
 - b. The Equipment Reserve has been increased by £0.158m to cover various items of ICT equipment, health & safety equipment, software upgrades, maintenance programme and social media monitoring tool.
 - c. Planned spend of the 2024/25 urban search and rescue grant of £0.018m, has been re-phased into 2025/26 and will be carried forward as part of the New Dimensions Reserve.
 - d. The Community Risk Management Reserve has been increased by £0.008m for the purchase of VR headsets for the Road Safety Team, which were not delivered in 2024/25.
26. The final accounts of the Authority have now been completed and after taking into account the need to create £0.333m year-end reserves a £3.603m underspend on the revenue budget has been identified. The report proposes using the underspend to;
- a. increase the General Revenue Reserve by £0.200m, and
 - b. create a new reserve for carbon net zero of £2.000m, to contribute towards the costs associated with investing in carbon zero renewables and initiatives, to reduce carbon emissions and reduce energy costs, and

- c. increase the capital investment reserve by £1.403m, in order to offset capital cost inflationary pressures and reduce planned borrowing to free up revenue budget associated with debt servicing costs.

27. This report assumes Members will support the above recommendation and use of the £3.603m favourable variance.
28. The movement on reserves in the year has seen a net increase in committed earmarked reserves (opening balance £12.174m and a closing balance £13.569m) of £1.395m. The table overleaf summarises the reserve movements in the year and Appendix A4 provides more details on the changes throughout the year;

Budgeted Movement on Reserves 2024/25

	Opening Balance	Qtr 1 Draw-down & changes	Qtr 2 Draw-down & changes	Qtr 3 Draw-down & changes	Qtr 4 Draw-down & changes	Year-End Request	Use Year-End Variance	Closing Balance
<u>Committed Reserves</u>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Emergency Related Reserves</u>								
Bellwin Reserve	222							222
Insurance and Legal Reserve	534							534
Collection Fund Reserve	100							100
<u>Modernisation Challenge</u>								
Smoothing Reserve	1,400							1,400
Retrospective Holiday Pay	680	-530			-150			0
Pensions Reserve	300							300
Recruitment Reserve	1,814							1,814
Carbon Net Zero Reserve	0						2,000	2,000
Invest to Save Reserve	0							0
<u>Capital Investment Reserve</u>	3,204	974	-2,867	519		147	1,403	3,380
<u>PFI Annuity Reserve</u>	1,304	-69						1,235
<u>Specific Projects</u>								
Health & Safety Reserve	55					2		57
Equipment Reserve	348		-11	5		158		500
Clothing Reserve	90							90
Health and Wellbeing Reserve	30			-23				7
Training Reserve	300				-30			270
Inflation Reserve	1,200							1,200
<u>Ringfenced Reserves</u>								
Kings Trust Reserve	0							
Community Risk Management Reserve	258	-12				8		254
Energy Reserve	258	57		-32	-172			111
New Dimensions Reserve	77					18		95
Total Earmarked Reserves	12,174	420	-2,878	469	-352	333	3,403	13,569
General Revenue Reserve	3,700	0	0	0	0	0	200	3,900
Total Reserves	15,874	420	-2,878	469	-352	333	3,603	17,469

29. The general reserve has been increased by £0.200m to £3.900m or 5% of the operating budget.

Equality and Diversity Implications

30. Resources are invested to support equality and diversity.

Staff Implications

31. Over 70% of revenue expenditure is directly staff related.

Legal Implications

32. There are no legal implications directly related to this report.

Financial Implications & Value for Money

33. After taking into account year-end reserve requests of £0.333m, net expenditure was £3.603m lower than the budget. This revenue saving has been utilised to increase the General Reserve, create a Carbon Net Zero Reserve and increase the Capital Investment Reserve in 2024/25 and therefore, the Authority's overall expenditure is consistent with its budget.
34. Capital spend was £13.790m, resulting in a variance of £14.294m against the £28.084m budget for 2024/25. The variance can be broken down into:
- a. A £13.899m re-phasing of planned spend from 2024/25 into future years, requiring the carry forward of capital budget.
 - b. A net underspend and saving on capital projects of £0.395m.
35. The General Fund Balance as at 31st March 2025, has been increased to £3.900m. MFRA committed reserves as at 31st March 2025, stand at £13.569m.

Risk Management and Health & Safety Implications

36. There are no risk management and health and safety implications directly related to this report.

Environmental Implications

37. There are environmental implications directly related to this report.

Contribution to Our Vision: *To be the best Fire & Rescue Service in the UK.*

Our Purpose: *Here to serve, Here to protect, Here to keep you safe.*

38. The achievement of actual expenditure within the approved financial plan and delivery of the expected service outcomes is essential if the Service is to achieve the Authority's Vision.

BACKGROUND PAPERS

CFO/13/24	"MFRA Budget and Financial Plan 2024/25-2028/29" Authority 29 th February 2024.
CFO/56/24	"Financial Review 2024/25 – April to June" Community Safety and Protection Committee 5 th September 2024.
CFO/69/24	"Financial Review 2024/25 – July to September" Policy and Resources Committee 12 th December 2024.
CFO/75/24	"Procurement of Powered Respirator Protective Suit" Community Safety and Protection Committee 30 th January 2025.
CFO/80/24	"Financial Review 2024/25 – October to December" Community Safety and Protection Committee 30 th January 2025.

GLOSSARY OF TERMS

CAPITAL EXPENDITURE	Section 40 of the Local Government and Housing Act 1989 defines 'expenditure for capital purposes'. This includes spending on the acquisition of assets either directly by the Authority or indirectly in the form of grants to other persons or bodies. Expenditure that does not fall within this definition, must be charged to a revenue account.
RESERVES	Amounts set aside to meet future contingencies, but the use does not affect the Authority's net expenditure in a given year. Appropriations to and from reserves may not be made directly from the revenue account.
REVENUE EXPENDITURE	This is money spent on the day-to-day running costs of providing services. It is usually of a constantly recurring nature and produces no permanent asset.