



# **Merseyside Fire & Rescue Authority**

## **2023/24 Summary Statement of Accounts DRAFT - UNAUDITED**

## Background to Merseyside Fire and Rescue Service

Merseyside is an area in the north west of England, on both sides of the mouth of the river Mersey and includes the metropolitan districts of Knowsley, Liverpool, Sefton, St Helens and Wirral. Merseyside spans 249 square miles (645 Km<sup>2</sup>) of land containing a mix of built up urban areas, suburbs, semi-rural and countryside locations, but most of the land use is urban. It has a central business district at the heart of Liverpool City Centre, though each of Merseyside's five metropolitan districts has at least one major town centre and outlying suburbs.

There are 42 miles of motorway, six miles of tunnels (road and rail), 75 miles of passenger railway and over 60 miles of coastline. Merseyside has eight Top Tier COMAH sites and the Port of Liverpool handles over 30 million tonnes of freight for both import and export.

Merseyside Fire & Rescue Authority (MFRA) is a local authority created by the Local Government Act 1985. It is made up of 18 elected representatives appointed by the constituent District Councils. The number of councillors from each district is determined by statute and in most cases is representative of the political composition of that Council. During 2023/24, this was as follows:

Knowsley	2	(2 Labour)
Liverpool	6	(4 Labour, 1 Liberal Democrat, 1 Liverpool Community Independents Group)
Sefton	4	(3 Labour, 1 Liberal Democrat)
St. Helens	2	(2 Labour)
Wirral	4	(2 Labour, 1 Conservative, 1 Green)

The Authority approved a revised Leadership Message and associated vision, purpose, aims, values and behaviours of the Service, that captures the organisations key people priorities, developed in order to deliver the best possible services to the Merseyside community through the professionalism and capabilities of our people. The Authority's new Vision, Purpose and Aims are:

*Our Vision;*

**To be the best Fire & Rescue Service in the UK. One team, putting its communities first**

*Our Purpose;*

**Here to serve. Here to protect. Here to keep you safe.**

*Our Aims;*

### **Protect**

***We protect people from harm, provide advice, guidance and when absolutely necessary use enforcement to keep the public and our firefighters safe.***

### **Prevent**

***We are there for you. We are a visible presence that provides reassurance, support and advice. Alongside our partners, we protect the most vulnerable and reduce inequalities.***

### **Prepare**

***We will always be the best that we can be by having highly skilled and trained people who plan for every risk and keep our teams safe and effective.***

### **Respond**

***We will be there when you need us most, pulling out all the stops to save lives. Whether we are taking 999 calls, or attending incidents, we keep our communities safe.***

The Authority's Fire and Rescue Service is led by a Chief Fire Officer, supported by a Strategic Leadership Team (SLT) comprising of the Deputy Chief Fire Officer, Assistant Chief Fire Officer, and other senior managers.

# The 2023/24 Approved Financial Plan & Financial Performance for the Year

Merseyside Fire and Rescue Authority has an excellent record of delivering outstanding fire and rescue services with the budget we have had to spend on our employees (including our firefighters), our equipment and our services. Our money comes from grants from Central Government and Council Tax payments and we make decisions on what we spend based on the Risk, Demand and Vulnerability of our communities. As we do that, we make sure that we provide value for money for the people of Merseyside.

In recent years the Authority identified a need to re-invest back into frontline services in response to emergent and foreseeable risk from fire and other emergencies, particularly the services ability to respond to large and/or protracted incidents, as well as the need to enhance protection functions in the light of the Grenfell Tower fire, the Manchester terror attack and other major incidents. We have made some bold decisions that have allowed us to:

- increase the firefighter numbers by an additional 22 posts, to 642 and,
- increase fire control operators from 32 to 35, including new senior management and training officer posts,
- increase the retained (on call) contract holders,
- introduce a new fire engineer post to work with partners ensuring the safety of residents in high-rise buildings,
- increase the number of fire engines/appliance availability to 32,
- introduce specialist teams to deal with all foreseeable risk,
- increasing investment in specialist appliances and other operational equipment,
- approve a new Training and Development Academy and Hybrid Station – to go live on 29<sup>th</sup> April 2024,
- increased the supervisory management provision through the creation of a further 20 new Crew Manager roles.

The investment the Authority has made in the Service since 2020/2021 has ensured Merseyside Fire and Rescue Service continues to deliver its vision to be the fire and rescue service in the UK. In the latest HMICFRS inspection the service was congratulated on its performance in keeping people safe and secure from fire and other risks. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) grade Merseyside Fire and Rescue Service's performance across 11 areas and found the service was 'outstanding' in three areas, 'good' in five areas, and 'adequate' in three areas. The service was not 'required to improve in any areas.

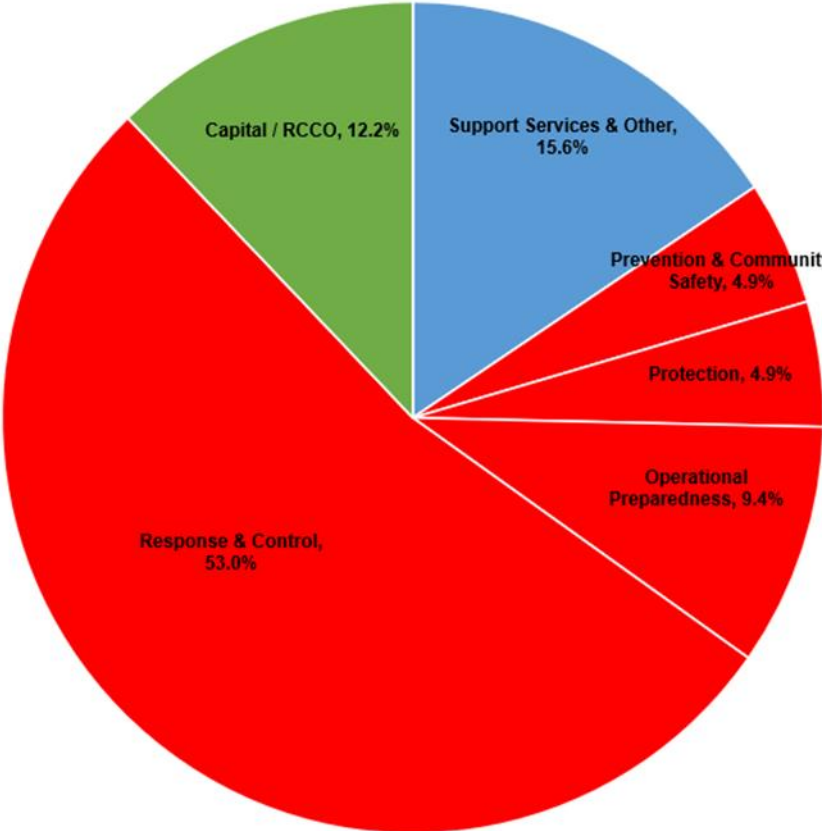
The service secured three 'Outstanding' judgements for its work preventing fires and risk, its response to significant incidents, and for making the best use of its resources.

The Authority remains concerned that the impact of the previous service reductions due to Government funding cuts have gone too far and they are steadfast in their ambition to build resources back into the Service. The permanent investment it has managed to put into the Service since 2019/20 only delivers some of the additional resources it believes are required. The Authority also calls upon the Government to make the temporary Protection Services grants, that allowed a short-term investment in these services, permanent.

The 2023/2024 Government funding settlement was another one-year settlement, the Authority urge the Government to reinstate the multi-year approach for future years as short-term funding is a major barrier to effective financial planning and fails to provide a permanent solution to the fundamental challenges facing the Authority.

The pie chart overleaf outlines a "thematic" analysis of the revenue budget. Most expenditure, 53.0%, goes on emergency and specialist response; 9.4% on Operational Preparedness; and, 9.8% on Protection, Prevention & Community Safety. Therefore 72.2% of expenditure is on the "front line" services, (those activities highlighted in red are deemed frontline services). The 12.2% on capital costs relates mostly to previous investment in front line assets, fire stations, vehicles and equipment. The remaining 15.6% is on support and operational enabling services.

2023/2024 Net Budget By Service



## The 2023/24 Revenue Outturn Position

Throughout the year, the Authority received regular financial review reports detailing:-

- the robustness of the key budget and MTFP assumptions,
- any required budget amendments,
- movements from and to reserves and the revenue budget.

The approved General Fund budget remained constant throughout the year at £67.921million. The table below summarises the actual general revenue fund position at year-end and compares it to the budget.

Programme	Fire Service Budget £'000	Fire Authority £'000	National Resilience £'000	Total Budget £'000	Actual £'000	Variance £'000
<b>Expenditure</b>						
Employee costs	57,427	378	2,973	60,778	59,117	(1,661)
Premises costs	4,255	-	1	4,256	4,187	(69)
Transport costs	1,402	-	8,046	9,448	9,143	(305)
Supplies and services	3,617	22	5,399	9,038	7,349	(1,689)
Agency services	7,166	-	32	7,198	7,066	(132)
Central support services	567	139	1	707	736	(29)
Capital financing	19,975	10	5	19,990	19,982	(8)
<b>Income</b>	(16,037)	-	(16,457)	(32,494)	(31,699)	795
<b>Net expenditure</b>	<b>78,372</b>	<b>549</b>	<b>-</b>	<b>78,921</b>	<b>75,881</b>	<b>(3,040)</b>
Contingency pay & prices	177	-	-	177	-	(177)
Interest on balances	(950)	-	-	(950)	(1,045)	(95)
	<b>77,599</b>	<b>549</b>	<b>-</b>	<b>78,148</b>	<b>74,836</b>	<b>(3,312)</b>
Movement on reserves	(10,227)	-	-	(10,227)	(6,915)	3,312
<b>Overall financial position</b>	<b>67,372</b>	<b>549</b>	<b>-</b>	<b>67,921</b>	<b>67,921</b>	<b>-</b>

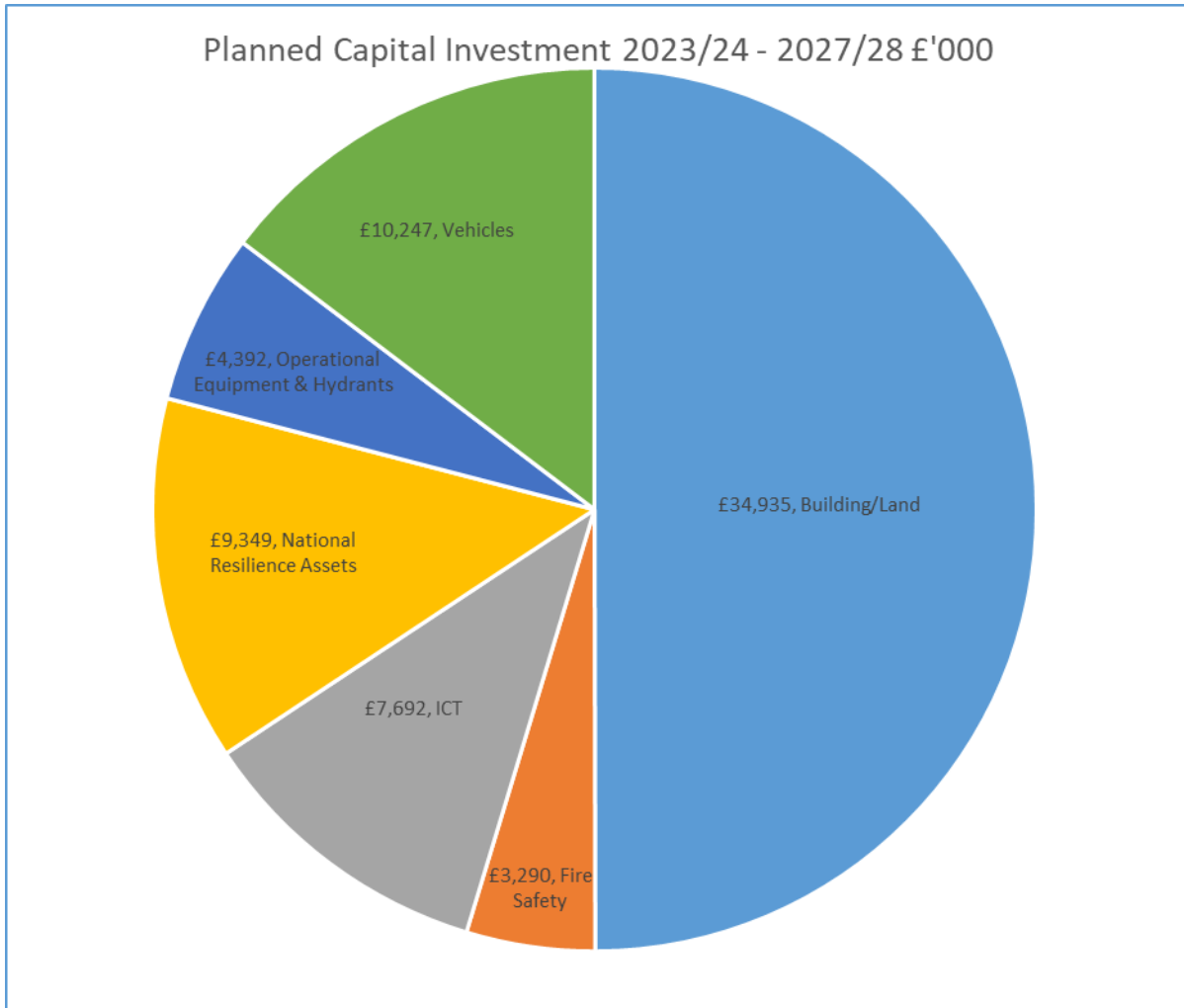
Throughout the year managers looked at every opportunity to maximise savings against the approved budget to enable an increase in the capital reserve to manage long-term borrowing and debt costs. The 2023/2024 year-end “underspend” was £3.312m however, after taking into account specific year-end earmarked reserves requests of £0.803m, the available uncommitted underspend was £2.509m. The underspend will be used to increase the capital reserve by £1.809m to manage long-term borrowing and debt costs. The remaining £0.700m will be used to increase the general reserve to £3.700m.

# Capital Strategy and Capital Programme 2023/24 to 2027/28

Each financial year the Authority produces a five-year capital programme to manage major capital schemes. Owing to the nature of capital expenditure, a large number of schemes span more than one financial year, therefore the programme is a rolling programme covering a five-year period.

The starting point for the programme is an assessment of the capital investment requirements for the Authority for future years based upon needs identified by the various expert professionals in areas such as buildings, vehicles, ICT, and operational equipment. The Authority manages its capital investment plans through its asset management plans and capital programme.

The chart below summarises the areas of planned investment over 2023/2024 – 2027/2028 based on the final approved capital budget of £69.905m:



This capital programme has a borrowing requirement of £42.329m across the whole life of the plan, with the balance of funding being met from reserves, capital receipts, revenue contributions and grants. The proposed borrowing is unsupported borrowing or prudential which means the Government no longer provides any revenue grant funding to meet the revenue costs associated with the borrowing, and the Authority must determine if it can afford and sustain the servicing of the associated debt and revenue costs. Current and future debt servicing costs as a consequence of the proposed capital programme have been built into the Authority's financial plan and revenue budget and are therefore deemed as affordable and sustainable.

The most significant items of capital expenditure have been:

- The construction of the new Training and Development / Hybrid Fire Station site
- Fire station refurbishment at Bromborough
- Installation of smoke alarms
- Upgrades and replacement of ICT software and hardware
- Purchase of Home Office National Resilience assets
- The purchase of new appliances and specialist vehicles

### 2023/2024 Capital Outturn Position

The 2023/2024 original capital budget was £36.623m and during the year this was adjusted for schemes being rephased from 2022/2023 and also schemes slipping into future years. As capital schemes by their very nature take more than one year to complete they are often subject to delays in obtaining planning permission; delays in finalising project specifications; and are subject to supply chain pressures, it is not unusual to have constant re-phasing of the planned spend. The final budget for 2023/2024 was £43.305m but based on the actual spend a further £8.619m planned spend has been re-phased into 2024/2025.

## Authority's Balance Sheet at 31<sup>st</sup> March 2024

The purpose of the balance sheet is to provide a summary of the assets and liabilities of the Authority at the end of the financial year and provide details of what reserves and balances of the Authority has available. Basically, the statement shows what the Authority owns, is owed and what it owes.

31 March 2023 £000		Notes	31 March 2024 £000
114,036	Property, plant and equipment	12	152,134
101	Intangible assets	13	231
2,038	Pension Asset	40	4,618
<b>116,175</b>	<b>Long-term Assets</b>		<b>156,983</b>
27,259	Short-term investments	14	3,306
1,074	Inventories	15	1,142
19,466	Short-term debtors	16	21,981
8,387	Cash and cash equivalents	14 & 17	23,210
<b>56,186</b>	<b>Current assets</b>		<b>49,639</b>
(921)	Short-term borrowing	14	(970)
(17,767)	Short-term creditors	19	(36,048)
-	Bank overdraft	14 & 17	-
<b>(18,688)</b>	<b>Current liabilities</b>		<b>(37,018)</b>
(15,804)	Long-term creditors	14	(15,206)
(787)	Provisions	20	(729)
(33,720)	Long-term borrowing	14	(33,720)
(859,949)	Other long-term liabilities	14 & 40	(855,550)
<b>(910,260)</b>	<b>Long-term liabilities</b>		<b>(905,205)</b>
<b>(756,587)</b>	<b>Net liabilities</b>		<b>(735,601)</b>
(38,481)	Usable reserves	21	(30,902)
795,068	Unusable reserves	22	766,503
<b>756,587</b>	<b>Total reserves</b>		<b>735,601</b>

## Contact Us

The Authority values the opinions of the people it serves. Feedback on how useful you found this summary statement or if you feel anything else should have been included would be welcomed. Please do not hesitate to get in touch with me or my team at the contact point below.

If you wish to comment about the services of the Fire Authority, contact Fire Service Headquarters 0151 296 4000.

Mike Rea, B.A. (Hons). ACMA  
Director of Finance and Procurement  
Merseyside Fire and Rescue Authority  
Service Headquarters,  
Bridle Road,  
Bootle,  
Merseyside  
L30 4YD

Fire Authority Enquiries to: Mike Rea

Tel. 0151 296 4225  
E-mail:mikerea@merseyfire.gov.uk

For more information regarding the Authority, visit our website [www.merseyfire.gov.uk](http://www.merseyfire.gov.uk)