

 WMFS West Midlands Fire Service	<u>WEST MIDLANDS FIRE AND RESCUE AUTHORITY</u> <u>24 November 2025</u>
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Finance Update
For INFORMATION

Principal Officer - Assistant Chief Fire Officer
Report of the Interim Head of Finance & Procurement (S151)
Author - Finance Manager (Deputy S151)

1. **PURPOSE**

1.1. To provide a forecast outturn position as at Period 6 (P6) for the 2025/26 financial year.

2. **RECOMMENDATIONS**

2.1 That Fire Authority note the overall forecast revenue underspend of (£1,490k).

2.2 That Fire Authority note the P6 capital forecast outturn variance of (£7,220k) against the budget, resulting mainly from slippage of the Vehicle Replacement Programme.

3. **OBJECTIVES & EXPECTED OUTCOMES**

3.1 This forecast is based on six months of actual data with six months of forecasting. A further forecast will be presented to Fire Authority in February, and the final outturn will be reported next June.

4. **BACKGROUND**

4.1 Table 1 below shows a summary of the forecast revenue outturn for 25-26 as at P6. Further details are shown in Appendix A.

Table 1: 2025-26 Revenue Summary

Service Area	Budget 2025-26 £m	Outturn 2025-26 £m	Variance £m
Devolved Budgets	47,337	46,246	-1,091
Corporate Budgets	86,894	87,012	118
Spend from Earmarked Reserves & Revenue Costs of Capital	18,501	10,065	-8,436
Appropriations (from)/to Earmarked Reserves	-15,367	-7,433	7,934
Net Expenditure	137,365	135,890	-1,475
Funding	-137,365	-137,380	-15
Total over/(under) spend	0	-1,490	-1,490

4.2 Devolved budgets are forecast to underspend by (£1,091k). The largest variances to budget are as follows:

- Digital & Data (£589k) underspend due to
 - Vacancies slightly offset by maternity cover and additional UK costs (£357k)
 - This forecast also now also includes forecast refunds from Virgin Media of (£228k) which is a one off credit relating to prior years. **It should be noted that the £228k is awaiting final agreement by Virgin.**
 - Other small savings (£4k)
- Response (£314k) underspend due to
 - vacancies within Fire Control including associated reduction in income from Staffordshire (£251k),
 - reduced spending on water capability and other training (£70k)
 - Other small variances £7k.

- People Support (£121k) due to staffing vacancies and Equality, Diversity and Inclusion training being secured at no cost.
- Operations £72k overspend largely due to cover for absence in Area Command and water charges (backdated bills and 7.8% increase in price).
- Strategy (£70k) due to vacancies, acting up arrangements and reduced forecast for SLT development.
- Corporate Services (£41k) underspend due to:
 - Staff turnover not achieved, acting up and cover arrangements in Facilities Management £48k;
 - Staff turnover not achieved plus acting up and cover arrangements in Corporate Communications offset by reduced forecast for conference fees, course fees and car allowances, £37k;
 - BRV vehicle hire, £18k;
 - Forecast savings on gas & electricity for HQ (£90k)
 - Net (£50k) on fleet due to staffing vacancies, reduced income and slippage in telematics work
 - Other small variances (£4k).
- Other minor variances totalling (£28k) additional savings across other service areas.

4.3 Corporate budgets are forecast to overspend by £118k. The main reasons for this are:

- Digital & Data £102k due to Oracle improvements (e.g. Competency recording) that are ineligible to be funded as capital
- People Support £58k mainly due to additional external legal costs.
- Operational pay overall is forecast to be £18k overspent. At this stage, the forecast includes a (£1,206k) underspend on establishment largely due to continued vacancies mainly at Crew Commander level offset by a forecast overspend on VAS and disturbance allowances of £1,208k. **This forecast now reflects the additional costs from the introduction of an additional cohort of trainee fire fighters from November. The additional recruits are estimated to have a minimal impact**

on VAS in the current financial year. The remainder of the overspend, £16k, is due to pre-arranged overtime and blue light mileage.

- Corporate Services (£45k) due to:
 - Programme works (£250k) largely delays in ablution works
 - Responsive works £100k in line with prior year forecast and to cover increased Winter call outs
 - Business rates over budget across a number of stations £50k
 - Delayed occupation by West Midlands Police at Handsworth and rent free period for Wolverhampton Council, £29k in total
 - Inflation on maintenance contracts £40k
 - Electrical isolations savings (£14k)
- Various other small savings across Corporate of (£15k)

4.4 The forecast for interest, spend from earmarked reserves and capital shows a saving of (£8,436k). This is mainly due to:

- Capital slippage as outlined further below (£7,058k).
- Saving of (£215k) on net interest on borrowing and investments, broken down as follows:
 - The net saving for the rest of the year of (£76k) following the early repayment of £14.8m of Public Works Loan Board Debt. This takes account of the net effect of interest saved on debt, interest foregone on investments and the charging/crediting of early repayment premiums/discounts to revenue. The ongoing saving will be around £200k per year in future years.
 - A favourable variance of (£139k) due to interest on higher than expected investment balances.
- Lower than budgeted minimum revenue provision (£245k)
- Earmarked reserves savings against budget (£937k). See appendix C for full details
- Lower than expected vehicle sales, delays in VRP have led to less disposals than budgeted £19k.

4.5 Appropriations to and from reserves include the contra variance for the reduced use of capital reserves of £7,058k and other earmarked reserves of £876k.

4.6 The (£15k) favourable variance on funding is due to the finalised Section 31 grant.

4.7 **Capital Programme**

The capital budget for 25-26 includes programmes budgeted in year totalling £11,685k plus slippage of £1,148k from 2024/25. Table 2 below shows a summary of the 2025-26 capital programme and further details can be found in Appendix B.

Table 2: 2025-26 Capital Summary

	Budget 2025-26 £m	P6 Forecast £m	Outturn Variance £m
Total Capital Expenditure	12,833	5,613	-7,220
Financing			
Earmarked Reserves	9,501	2,443	-7,058
Revenue	2,990	2,990	0
Prudential Borrowing	342	0	-342
Capital Grants/Contributions	0	180	180
Total	12,833	5,613	-7,220

4.8 The P6 forecast shows a £7,220k variance in capital this year, which is largely slippage into 2026-27. The main area of slippage is the vehicle replacement programme (VRP). The VRP budget originally assumed the purchase of 20 Brigade Response Vehicles costing £2.8m plus 7 Pump Rescue Ladders and 2 Technical Rescue Pumps also costing £2.8m. Invitations to tender have now been published in relation to 12 BRV+, up to 11 Pump Rescue Ladders and 2 Technical Rescue Pumps. Work is also in progress to procure 4 Prime Movers, 4 High Reach Appliances and a replacement Incident Command Unit. Whilst we anticipate that the contract for the Prime Movers will be awarded by the end of October 2025 with 2 possibly being delivered in 2025/26, all of the other procurement activity in 2025/26 will consist of pre-market engagement and research. The forecast therefore recognises that most of the expenditure will not be incurred until the 2026/27 and 2027/28 financial years. Since

previously reporting to Fire Authority there has been further slippage due to delays in determining the specification for vans.

4.9 In addition to the VRP slippage the following capital projects have also now slipped

- Windows and doors £105k
- Roof replacements £201k
- Oldbury Highrise £124k

5. **STRATEGY ALIGNMENT**

5.1. Based on the provisional outturn in this report, the Unearmarked General Fund would increase to £7,682k at 31st March 2026 (5.4% of 2026-27 budget based on the current MTFP).

6. **IMPACT ASSESSMENTS**

6.1. This report is for noting and as such an EIA is not required.

7. **LEGAL IMPLICATIONS**

7.1. There are no legal implications arising from the content of this report.

8. **FINANCIAL IMPLICATIONS**

8.1 Financial implications are outlined in the sections above

9. **ENVIRONMENTAL IMPLICATIONS**

9.1 There are no environmental implications arising from the content of this report.

Relevant Principal Officer	Richard Stanton	Assistant Chief Fire Officer
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Appendix A: Detailed Revenue Budget & Forecast 2025-26

Service Area	Budget 2025-26 £'000	Forecast P4 2025-26 £'000	Variance £'000
Corporate Management	1,261	1,239	-22
Strategy & Org Intelligence	2,442	2,372	-70
Operations	3,486	3,558	72
Prevention	2,270	2,264	-6
Protection	6,259	6,244	-15
Response, FC & Emergency	3,951	3,637	-314
Finance & Procurement	1,901	1,934	33
Digital & Data	8,878	8,289	-589
Corporate Services	6,447	6,406	-41
People Support	3,642	3,521	-121
Development & Inclusion	6,800	6,782	-18
Total Devolved Budgets	47,337	46,246	-1,091
Operations	76,846	76,864	18
Protection	-42	-42	0
Response, RC & Emergency	-95	-106	-11
Finance & Procurement	2,374	2,370	-4
Digital & Data	0	102	102
Corporate	4,934	4,889	-45
People Support	2,709	2,767	58
Development & Inclusion	168	168	0

Total Corporate Budgets	86,894	87,012	118
Minimum Revenue Provision & Net Interest	1,006	565	-441
Earmarked Reserves spend in year	5,004	4,067	-937
Capital funded from Revenue budget	2,990	2,990	0
Capital funded from Earmarked Reserve	9,501	2,443	-7,058
Total interest, spend from earmarked reserves and capital	18,501	10,065	-8,436
Contribution from (-)/to Insurance Reserve	-258	-258	0
Contribution from (-)/to Capital Reserve	-9,501	-2,443	7,058
Contribution from (-)/to Other Earmarked Reserves	-5,608	-4,732	876
Total appropriations from (-)/to earmarked reserves	-15,367	-7,433	7,934
Net Expenditure	137,365	135,890	-1,475
Funding	-137,365	-137,380	-15
Total over/(under) spend	0	-1,490	-1,490

Appendix B: Detailed Capital Budget & Forecast 2025-26

Programme	Budget 25-26 £'000	Forecast P6 £'000	Variance £'000
Boiler Replacement Programme	360	360	0
Roof Replacement	354	153	-201
Windows & Doors Replacement	147	42	-105
Rewires	258	391	133
Drill Tower & Burns Facility Upgrade	96	96	0
Oldbury Highrise	124	0	-124
CDC Relocation	741	93	-648
Other Building Modifications	0	55	55
Vehicle replacement programme	7,267	857	-6,410
Service Provided Vehicles	235	238	3
Command & Control System	2,625	2,632	7
ICT Upgrades/Replacement	0	0	0
Equipment (Non ICT related)	0	70	70
RTC Cutting Equipment	321	321	0
Contaminants Project Phase 1 & 2	305	305	0
TOTAL	12,833	5,613	-7,220

Appendix C: Earmarked Reserves 2025-26

Description	Opening Balance 01/04/25	Forecast Spend	Forecast Return to General Balances	Closing Balance 31/3/26
Corporate Services				
The Heritage Centre	4	1	0	3
Rewards & Recognition Event 2024 & 2025	50	40	10	0
24/25 & 25/26 Facilities Management Planned Works	223	223	0	0
Vehicle Charger Upgrades	20	0	0	20
Brigade Rebranding Project	150	70	0	80
Sustainability Project & Posts	146	102	0	44
Strategic Communications Support	44	44	0	0
Station commander post for Vehicle Replacement Programme	50	50	0	0
	687	530	10	147
Strategy & Organisational Intelligence				
Strategy Assurance Monitoring System	30	0	0	30
Strategy - Governance team Fixed Term post	51	34	0	17
Learning & Development within Strategy team	15	15	0	0
Clerk of the Authority Duties	12	12	0	0
	108	61	0	47
Development & Inclusion				
Youth Activities	3	3	0	0
Incident Command Training	348	125	0	223
Competitions fund equipment	15	15	0	0
Additional ICT equipment	20	20	0	0
CPD Sessions	30	19	0	11
Thermal Imaging Cameras	20	20	0	0
Road Sweepers	32	32	0	0
Fire Behaviour Trainer Personal Protective Equipment	200	50	0	150
	668	284	0	384
Digital & Data				
Fire Ground Radio Replacement	290	0	0	290
Mobile Data Terminal Replacements	413	413	0	0
Emergency Services Mobile Communications Programme Contingency	170	0	0	170
Business Transformation Project	225	55	0	170
Public Switched Telephone Network element of IT Infrastructure	50	0	50	0
TomTom Replacement	50	50	0	0
Data Maturity and Artificial Intelligence	50	50	0	0
Surface Hub Replacement	250	250	0	0
	1,498	1,301	0	197

Finance & Procurement				
Replacement Mainline Branches	45	45	0	0
Backpack sprayers	18	18	0	0
Holmatro Equipment Replacement Project	0	0	0	0
	63	63	0	0
Operations				
Technical Rescue Unit New Emerging Risks Project	26	26	0	0
New Dimension Training & Crewing	30	30	0	0
Fire Investigation & Prevention Section Vehicle Modifications	5	5	0	0
Technical Rescue Unit Training & Equipment	16	16	0	0
Incident Command Transformation (Unblur Project)	38	38	0	0
UK International Search and Rescue Expenses	92	92	0	0
Ear defenders for Technical Rescue Unit	22	22	0	0
	229	229	0	0
People Support				
Pension Admin Grant	338	86	0	252
Pay & Grading Review	15	14	1	0
Workforce Planning Temporary Watch Commander B post	72	72	0	0
Employment Legal Costs	200	200	0	0
Post to Support UKG Implementation	45	35	0	10
	670	407	0	262
Prevention				
Road Casualty Reduction Team Travel Fund Scheme	8	8	0	0
Speed Indication Devices Grant	7	7	0	0
Road Casualty Reduction Team Street Racing & Operations Hercules	9	9	0	0
Road Casualty Reduction Roadshow	17	17	0	0
Carbon Monoxide Project	2	2	0	0
Children & Young People Promotional Materials & Digital Modernisation	15	15	0	0
Digital Solution for Prevention	350	175	0	175
Safeside Coaches	13	8	0	5
Safeside Nationwide Building Society Funding	32	32	0	0
ICT Updates Screens for Conference Rooms				
Safeside	12	12	0	0
New Bus & Education Outreach Resources	11	11	0	0
Fire Cadets new uniform	19	19	0	0
	495	315	0	180
Protection				
Protection Funding Grant	5	4	0	1
Protection Officers Accreditation & Recognised Prior Learning Grant	56	56	0	0
Building Safety Regulator Training	158	158	0	0

OFFICIAL

West Midlands Training Dept Training Aids & van fit outs	30	15	0	15
	249	233	0	16
Response, Fire Control & Emergency Planning				
National Inter-Agency Liaison Officer Training	13	13	0	0
Firelink/Fire Control Revenue Project Costs	15	15	0	0
National Resilience Sector Led Training	17	17	0	0
Chemical, Biological, Radiological & Nuclear Training & Response	92	38	0	54
Responding to New Risks	19	19	0	0
High Volume Pump Unit Training	20	20	0	0
Water Implementation modification Year 2	150	115	0	35
Airwave Radios	17	17	0	0
Water Implementation modification Year 1	135	135	0	0
Fire Control Training and Competency framework	16	0	0	16
Fire Control Call Handler post	46	0	0	46
Grenfell Infrastructure Fund	39	0	0	39
	579	389	0	190
Corporate Funding				
Capital Reserve	10,083	2,443	0	7,640
Insurance Reserve	3,200	259	0	2,942
Fire Control including Command & Control	532	532	0	0
Governance improvement	1,000	809	0	191
Corporate Funding Total	14,815	4,043	0	10,772
Total	20,061	7,372	61	12,629