

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
13th September 2017
Item No. 5

REPORT AUTHOR(S): HEAD OF FINANCE/TREASURER

SUBJECT: BUDGET MONITORING 2017/18

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Background Papers: 2017/18 Budget Setting Papers

Implications (tick ✓):

LEGAL		FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	
CORPORATE RISK	Known	OTHER (please specify)	
	New	CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE

To inform the Corporate Services Policy and Challenge Group of the forecast year end budget monitoring position as at 31 July 2017.

RECOMMENDATION

That the Corporate Services Policy and Challenge Group:

1. Consider and comment on the forecast outturn for revenue and capital.
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1. Introduction

- 1.1 On 9 February 2017, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2017/18 of £28.716m and a Capital Programme of £1.278m.

2. Revenue Budget Monitoring

- 2.1 A full analysis of the Revenue Budget efficiency savings for 2017/18 to 2020/21 can be found in Appendix 1. This appendix forms part of the Government return, in order to receive the four year Government funding offer.
- 2.2 The funding of the 2017/18 Revenue Budget is by way of Government Funding £7.296m, local Business Rates redistribution £2.048m and Council Tax of £18.994m. There is also funding from a Collection Fund surplus of £0.378 m.

2.3 Forecasting Outturn:

2.3.1 Table 1 below is populated during the year in line with the spread sheet returns that Corporate Management Team (CMT) members submit to the Finance Team and also through the meetings that Finance Officers have with CMT members. The forecast outturn positions are as accurate as the information received from each CMT member.

2.3.2 Table 1 below details the current budget excluding salary budgets, for each CMT service area. The forecast year end outturn is shown in column four, with the variance and RAG (red, amber, green) status shown in columns five and six.

2.3.3 Table 1: 2016/17 Revenue Budget Forecast Outturn (excluding salary budgets)

Title	Current Budget	Actuals as at 31 st July 2017	Forecast yr end outturn	Variance	RAG status (see note below**)
	£		£	£	
Strategic Management	61,400	20,500	61,400	0	Green
Head of Operations	887,700	231,400	887,700	0	Green
Head of Operational Support	521,300	141,400	521,300	0	Green
Head of Community Safety	201,400	51,200	190,400	(11,000)	Green
Head of Human Resources	163,100	38,700	168,100	5,000	Green
Head of Strategic Support	1,272,000	332,800	1,272,000	0	Green
Head of Safety and Special Projects	5,100	1,000	5,100	0	Green
Head of Training and Development	449,600	216,600	449,600	0	Green
Head of Finance and Treasurer	3,946,700	826,400	3,946,700	0	Green
Total	7,508,300	1,860,000	7,497,300	(6,000)	

**RAG Status: Red would identify where there is a large overspend equal to or greater than £100,000 and/or a key service aspect was not being delivered. Amber would identify where there is a possibility of an overspend and/or a key service aspect may not be delivered. It may be that there are action plans in place to address an issue, where until they are successful it is flagged as Amber. Green identifies where service delivery is being performed and as above, where there are underspends. Underspends are not necessarily always green, if for example, there was a key service aspect not being delivered causing the underspend, it would be shown as Red.

2.3.4 There are currently no predicted over or under spends within any of the CMT service areas over £50k.

The £11k underspend in Head of Community Safety relates to an unbudgeted £11k contribution from Luton Borough Council for Community Safety partnership work. Members may recall this funding had led to an overspend during 2016/17, as the budgeted income did not materialise.

The year to date figure within Head of Training and Development of £216.6k includes payments to the Fire Service College for recruits training of £110k in the first 4 months of the year.

The low actual figure in table 2.3.3 above within Head of Human Resources relate to the monthly costs for payroll processing where we are waiting invoices from our payroll administrators. The £5k overspend predicted by year end relates to legal costs.

2.3.5 With the salary budgets being such a large proportion of the overall budget, the split from the budgets above is justified. Table 2 below details the salary budgets and forecast outturn.

Table 2: 2016/17 Salary Budget Forecast Outturn

Title	Current Budget	Actual Spend as at 31st July 2017	Forecast year end outturn	Variance
	£'000	£'000	£'000	£'000
Whole-time	13,286,300	4,070,400	13,286,300	0
Control	896,700	351,300	896,700	0
Retained	2,000,900	525,400	1,900,900	(100,000)
Non Uniform	4,918,300	1,511,300	4,953,300	35,000
Agency	105,700	235,500	205,700	100,000
Total	21,207,900	6,693,900	21,242,900	35,000

- 2.3.6 The forecast underspend in Retained is as a result of the ongoing vacancies. Various recruitment initiatives have been undertaken and more are planned.

The £100k forecast overspend within Agency relates to the overspend in ICT due to agency staff costs covering posts that have not been filled through the recruitment process. A review of the ICT Shared Service is currently underway. Further work needs to be undertaken on this forecast overspend and the cross charging within the ICT Shared Service Authorities. The mid-year position will be reviewed at the end of September and reported back to members. The agency figure for actual spend as at 31st July of £235.5k looks high however within this spend are agency costs where we will recover the cost through income received from partners.

The £35k in Non Uniform above relates to saving/efficiency item 3 in Appendix 1 below where this element will not be achieved due to the ongoing necessity of the post.

2.4 **Total Forecast Outturn, Salary and Non Salary:**

- 2.4.1 The total forecast variance at year end including both the non-salary figure in Table 1 above and for pay and on costs, including agency staff shown in Table 2, is currently expected to be an overspend of £29,000k. These figures do not include the likely reimbursement of pension monies from the Home Office. These has been allocated to the 2016/17 financial year and will be reported on within the report to the Audit and Standards Committee in September 2017 on the 2016/17 accounts.

3. Capital Programme Monitoring

- 3.1 Table 3 below is a summary of the Authority's 2017/18 Capital Programme. The Red, Amber, Green (RAG) status indicates how well the schemes are progressing (Green being on target for year-end completion within budget; Amber indicating possible slippage or overspend; and Red indicating actual slippage/overspend or deletion of the scheme).

Table 3: The 2016/17 Capital Programme

Scheme	Budget 2017/18	Forecast Outturn	RAG status
	£'000	£'000	
Vehicles	864	864	Green
Whole-time availability system project	70	70	Green
Phase 2 Human Resource Project	50	50	Green
Smoke House renovation and upgrade	40	40	Green
Diesel dispensing monitoring equipment (across all sites)	35	35	Green
Refurbishment of Luton Station facilities	40	40	Green
Replacement of tannoy systems at Kempston & Stopsley	30	30	Green
Service wide – Capital works	80	80	Green
Fitness Equipment	20	20	Green
Core hydraulic hose	49	49	Green
Total	1,278	1,278	

3.2 It should be noted that the Vehicles, ICT and Property Capital Works Programmes need to be treated with fluidity as the costs and expected completion dates can vary considerably and span across financial years. However, in accordance with the financial regulations, any significant changes of expenditure over 10% of an approved capital scheme need to be reported back to the FRA.

3.3 **Capital Programme – Withdrawals, Additions or Variations:**

3.4 **Additions:**

There are no additions to the capital programme.

3.5 **Variations:**

There are no variations to the capital programme.

3.6 **Slippages:**

There are no slippages to the capital programme.

**GAVIN CHAMBERS
HEAD OF FINANCE/TREASURER**

Appendix 1

Ref	Savings/Efficiencies	£'000s 2017/18	£'000s 2018/19	£'000s 2019/20	£'000s 2020/21
1	Continued roll out/removal of 24 Wholetime station-based posts through revision to Wholetime Shift Duty System.	157			
2	Service Control/Operational Support Establishment	34			
3	Reduction of One Area Commander post and a Service Operational Commander (SOC) allowance.	78	35		
4	Hydrant - contributions (estimated) from developers, therefore reduction in revenue budget	30	20		
5	Non-operational structure review	53			
6	Administrative post review service wide	47			
7	Anticipated initial savings from Insurance pooling	10			
8	Watch Manager Technical - Change post from Grey Book (operational) to Green Book (non-operational)	18			
9	Disclosure Barring Service checks - reduction to specific groups	5			
10	Potential for sharing Fire Investigation Service with Herts/Cambs FRS	0	7		
	New items for 2017/18 budget round:				
11	Changes resulting from Equal Pay policies	27	1		
12	Income from Property Sharing	10	7		
13	Resource and Contractual Savings resulting from the new HR system	21			
14	Control Income	0	15		
15	Health and Safety Officer (Grey to Green book)	25			
16	Collaborative working - Printing device contract saving	15			
17	Management Information System (MIS) - Whole-time Rota/Availability System, Human Resources, Technical Equipment	0	0	80	
18	Review and implementation of revised crewing arrangements	0	156	156	312
		529	241	236	312