

Publication

**Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge
Group
29 November 2017
Item No. 7**

REPORT AUTHOR(S): HEAD OF FINANCE/TREASURER

SUBJECT: REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2017/18 AS AT 31 OCTOBER 2017

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Background Papers: None

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 (CSP&CG) of the forecast year end budget monitoring position as at 31 October 2017.

RECOMMENDATION

That the CSP&CG:

1. Review and consider the forecast outturn for revenue and capital.
2. Approve the addition to the capital programme of an aerial drone, to be purchased in conjunction with Bedfordshire Police.

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. The budgets have been reduced for these areas. This appendix forms part of the Government return, in order to receive the four year Government funding offer. The focus for this report is the 2017/18 column, as the latter years will be updated annually through the budget process.
- 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 three, with the variance and RAG (red, amber, green) status shown in columns four and five.

2.3.3 Table 1: 2017/18 Revenue Budget Forecast Outturn (excluding salary budgets)

Title	Current Budget	F/cast yr end outturn	Variance	RAG status (see note below**)
	£	£	£	
Strategic Management	144,900	144,900	0	Green
Head of Finance and Treasurer	3,905,250	3,905,250	0	Green
Head of Service Delivery	1,053,150	1,007,150	(46,000)	Green
Head of Service Delivery Support	1,216,500	1,216,500	0	Green
Head of Operational Assurance	146,000	160,000	14,000	Green
Head of Special Projects	42,600	42,600	0	Green
Head of Information Communications Technology	1,204,600	1,204,600	0	Green
Head of Human Resources	166,500	174,000	7,500	Green
Total	7,879,500	7,855,000	(24,500)	

****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 £46k underspend/surplus within Head of Service Delivery relates to an unbudgeted £11k contribution from Luton Borough Council for Community Safety partnership work. In addition to this, a predicted underspend of £35k on Derv across the service as a result of continued low prices due to current and predicted economic circumstances.

The £14k overspend predicted in Head of Operational Assurance is a result of various minor differences including, £12k overspend on professional fees & subscriptions and other minor variances.

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: 2017/18 Salary Budget Forecast Outturn

Title	Current Budget	Forecast year end outturn	Variance
	£	£	£
Whole-time	13,190,400	13,090,400	(100,000)
Control	974,700	974,700	0
Retained	2,009,000	1,909,000	(100,000)
Non Uniform	4,879,300	4,914,300	35,000
Agency	270,800	370,800	100,000
Total	21,324,200	21,259,200	(65,000)

2.3.6 Of the forecast £65k underspend, £35k Non Uniform relates to the saving/efficiency item number 5 in Appendix 1, where this element will not be achieved due to the ongoing necessity of the post. £100k relates to the overspend within ICT due to agency staff costs covering posts that have not been filled through the recruitment process. A review of the ICT Service is currently underway including reconciliation between the two services of the staffing costs incurred to date by each partner. The £100k underspends relating to Whole-time and Retained are as a result of a difference between budgeted recruitment and retirement profiles. These areas will be closely monitored to ensure that any further variances are identified.

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

2.4.2 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 underspend of (£89.5k).

2.4.3 There have been earmarked reserves used to date during 2017/18. An example is noted in para 3.5 below. These will need contributing back to, in order to retain the reserve. It is therefore anticipated that at the year-end stage, these contributions will cancel out the current forecast underspend noted above.

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 2017/18 Capital Programme

Scheme	Budget 2017/18	Additions	Forecast Outturn	RAG status
	£'000	£'000	£'000	
Vehicles	864	0	864	Green
Whole-time availability system project	70	0	70	Green
Phase 2 Human Resource Project	50	0	50	Green
Smoke House renovation and upgrade	40	80	120	Green
Diesel dispensing monitoring equipment (across all sites)	35	0	35	Green
Refurbishment of Luton Station facilities	40	0	25	Green
Replacement of tannoy systems at Kempston & Stopsley stations	30	0	30	Green
Service wide – Capital works	80	0	80	Green
Fitness Equipment	20	0	20	Green
Core hydraulic hose	49	0	49	Green
Aerial Drone	0	25	25	Green
Total	1,278	105	1,383	

- 3.2 It should be noted that the Vehicles, ICT and HR System Projects 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 is one addition to note for to the capital programme. The service is jointly procuring a Drone with Bedfordshire Police in 2017/18. It is estimated that this will cost £25k and the purchase cost will be shared equally between the service and the Police. This expenditure will be funded from the Collaboration Reserve set up in 2016.

3.5 Variations:

The variation relating to the Smoke House scheme is as a result of extensive works that were immediately required. This was following the assessment of the building after stripping out the internal fabric. This will be funded from the reserve set up for Property works regarding unforeseen urgent issues.

3.6 Slippages:

There are no slippages to the capital programme.

**GAVIN CHAMBERS
HEAD OF FINANCE/TREASURER**

Appendix 1

Transformational Savings and Efficiencies 2017/18 to 2020/21

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/Cambes 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