

For Publication

Bedfordshire Fire and Rescue Authority
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REPORT AUTHOR: CHIEF FIRE OFFICER AND THE ASSISTANT CHIEF OFFICER/TREASURER

SUBJECT: REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2020/21 AS AT 30 JUNE 2020

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Background Papers: 2020/21 Budget Setting Paper to the FRA in February 2020

Implications (tick ✓):

LEGAL		FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	
ORGANISATIONAL RISK	✓	OTHER (please specify)	

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

PURPOSE:

To inform the Fire and Rescue Authority of the forecast year-end budget monitoring position as at 30 June 2020.

RECOMMENDATIONS:

That the FRA consider the updates provided within this report.

Executive Highlights Summary

- The **Green Book pay award** was agreed at 2.75% from April 2020, therefore 0.75% above what was budgeted. The impact is a £42k budget pressure.
- **Covid-19 (C-19) funding.** The Government's funding to the Service was £105k in tranche 1 and £502k in tranche 2, therefore £607k in total. This has been used against mainly staffing (such as secondees to the Ambulance Service) but also additional PPE and ICT. The impact on budgets will be worked on to assess the linked underspends from allocating officers directly to C-19 related activities and funding.
- The distribution of the **Fire Protection Board and Protection Funding**, has led to the Service receiving £161k. This is currently a one off grant and subject to the Comprehensive Review (CSR) for any future years funding.
- We are yet to hear if the delayed **CSR** is going ahead in 2020 or that it will be postponed again for another year due to C-19.
- The **External audit** fee from Ernst & Young has been proposed to increase from £23k per annum to £50k. All local authorities have been impacted by the price increase, with some tripling. The Audit & Standards Committee met on the 2nd July and did not agree to the price increase and delegated the ACO to continue discussions/negotiations with Public Sector Audit Appointments (PSAA) on this matter.
- There is significant **capital slippage from 2019/20**, this has previously been reported to the FRA.

Looking ahead:

- The one off 2019/20 FF Employer Pensions Grant continues for a second year, due to the delay in the CSR, so the additional £1.5m expenditure in 2019/20 will again be covered in 2020/21 by this grant. The ongoing funding for this remains a risk to the Service and will be wrapped up as part of the CSR funding review. The FF Pensions remedy also remains a financial risk to the Service, as any funding of increased costs is yet to be determined.
- The FF pay negotiation, regarding broadening the role, is currently on pause but remains a budgetary risk too.
- There is likely to be a **Collection Fund** deficit from our three Unitary Authorities, covering their collection of council tax and business rates during 2020/21. If they collect less than originally projected back in February 2020, which is likely, this would lead to our Service receiving a share of the deficit. This will be picked up as part of the 2021/22 budget preparation during the year. The Government has announced that deficits could be paid back over a three year period. The Authority awaits further information on this and the impact too on 2021/22 council tax taxbases.
- The 2021/22 budget will need to incorporate/fully review the ongoing annual recharge between Cambs FRS and the Service for the ICT Shared Service, that for the last two years has seen BFRS being recharged in excess of £100k.

1. Introduction

1.1 On 11 February 2020, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2020/21 of £30.061m and a Capital Programme of £1.505m.

2. Revenue Budget Monitoring

2.1 The Revenue Budget efficiency savings for 2020/21 can be found in Appendix 1. The budgets have been reduced for these areas and will be monitored during the year.

2.2 The funding of the 2020/21 Revenue Budget is by way of Government Funding £6.512m, local Business Rates redistribution £2.301m and Council Tax of £21.880m, there is also funding from a Collection Fund surplus of £0.368m.

2.3 **Forecasting Outturn:**

2.3.1 Tables 1 and 2 below are populated during the year in line with the spreadsheet 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.

2.3.3 Table 1: 2020/21 Revenue Budget Forecast Outturn (excluding salary budgets)

Title	Current Budget £	F/cast Yr-End Outturn £	Variance £
Strategic Management	308,400	308,400	0
Assistant Chief Officer	2,917,400	2,944,400	27,000
Head of Response	941,300	941,300	0
Head of Training and Assurance	427,300	427,300	0
Head of Governance and Asset Management	869,700	869,700	0
Head of Prevention and Protection	171,900	171,900	0
Head of Information Communications Technology	1,390,700	1,390,700	0
Head of Human Resources	237,000	237,000	0
Total	7,263,700	7,290,700	27,000

***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 The column/figures for Year To Date Actuals (£) will appear in Tables 1 and 2 in future reports. At this early stage in the year, with year end accruals, the figures are not helpful/useful. The budgets do not yet include the earmarked reserves from 2019/20.

Within the ACO area, the forecast overspend is as a result of the proposed increase in External Audit fees. This is yet to be approved and discussions are due to take place with PSAA on this matter.

Apprenticeship Levy Update

2.3.5 The Authority has been one of the first Fire and Rescue Services to have successfully engaged with the Fire Service College (FSC), for the delivery of the Firefighter Foundation Programme through an Operational Firefighter Level 3 Apprenticeship.

Fifteen firefighters are now assigned to the new Trailblazer Standard, which provides the underpinning skills and qualification of a firefighter over a two-year programme. The programme is directly linked to the technical knowledge, skills and behaviours of Operational Firefighter Apprentice Standard.

The full cost of this programme equates to £15,900 per firefighter, however as an accredited apprenticeship scheme, the FSC are able to draw down £12,000 from the levy funding, for each student participating in the programme. Therefore, the Service now only has to contribute the additional £3,900 difference per firefighter, instead of the full cost of the previous foundation firefighter course cost.

The anticipated in year saving from the apprenticeship programme was forecast as £50,000 for Firefighter training and £10,000 for other support training. Continual review of our establishment requirement has increased the number of new firefighters within 2020-21, however this does increase the potential benefit from the levy. Based on 15 firefighters, our previous non-apprenticeship model would have cost £180,000, now with government support through the Level 3 apprenticeship this is reduced to £58,500. This provides a saving of £121,500. However, it should be noted that the apprenticeship runs for two years, therefore any savings need to be considered over this period. In addition, to note that the Service is required to contribute to the government apprenticeship levy so this should also be factored into any perceived savings. This contribution is now part of base budget.

Having benefited from these early successes, the Service intends to use this process for the forthcoming firefighter development programme scheduled to start October 2020. The Service Training Department are investigating further apprenticeship options and wider development needs for Service personnel, with the aim to maximise opportunities for greater apprenticeship levy draw down.

In summary, the forecast savings/efficiencies with the apprenticeship levy, at £60k per annum, as per the above is set to be achieved.

2.3.6 With the salary budgets being such a large proportion of the overall budget, the split from the budgets above is justified.

Table 2: 2020/21 Salary Budget Forecast Outturn

Category	Current Budget £	Forecast year end outturn £	Variance £	RAG status (see note below**)
Whole Time	14,472,400	14,472,400	0	Green
Control	1,001,600	1,001,600	0	Green
Retained	2,003,200	2,003,200	0	Green
Non operational	6,197,400	6,239,400	42,000	Green
Agency	122,700	122,700	0	Green
Grand Total	23,797,300	23,797,300	42,000	

2.3.7 The response to Covid19 has been funded by grants from central government; to date we have received £607k the majority of which will be spent on salaries of employees deployed to other emergency services. There will be a linked underspend within the Head of Response area as a result of this but further work needs to be undertaken to identify the amount (£).

2.3.8 The current forecast overspend is as a result of the Green Book pay award being agreed at 2.75%, 0.75% higher than budgeted.

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 underspend of £69k. When the C-19 funding is included, it is likely that this will be reduced to nil.

3. Capital Programme Monitoring

3.1 Table 4 below is the 2020/21 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).

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 Table 4: The 2020/21 Capital Programme

Scheme	Capital Budgets 2020/21 £000's	RAG Status
Vehicles	400	G
SRU/RSU RTC Hydraulic Equipment	105	G
ICT Projects:		
IT Developments		
Endpoint Refresh with Desktop & Laptop Deployment	50	G
Public Address Systems Replacement	94	G
Appliance CCTV upgrade (Wireless)	113	G
Station End Equipment (SEE) - Hardware replacement and support	340	G

ICT & Comms		
Primary Network Switch replacement	100	G
Local Area Network (LAN) Active Components Replacement	120	G
General:		
Capital Works - Service Wide (lighting replacements, CCTV, fire protection, etc.) - All locations	86	G
Heating - boiler replacements (Amphill, Bedford, Woburn)	23	G
Fitness Equipment Expenditure	15	G
Kempston Station - Mess Deck Refurbishment	12	G – complete
Dunstable Fire Station - External Rope Rescue Training Rig (WAH working at height)	15	G
Dunstable Fire Station - Internal Rope Rescue Training Platform (working at height WAH)	10	G
Improved provision of female showers/toilets at Stopsley Station	22	G
	1,505	

3.4 Capital Programme – Withdrawals, Slippage, Additions or Variations:

3.4.1 **Slippage:** None from 2020/21. Note the 2019/20 slippage covered in this report though.

3.4.2 **Additions:** None.

3.4.3 **Variations:** None.

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Savings and Efficiencies 2020/21

CMT Area	Savings/Efficiencies	£'000s 2020/21	RAG Status
ACO	Income from Property Rents & Collaboration	8	G – EEAST at Dunstable
ICT	Management Information System (MIS) - Wholetime Rota/Availability System, Human Resources, Technical Equipment (Includes £45k unachievable saving in 2019/20)	89	A
ACO	Collaboration Savings	20	A
ACO	Energy Management Savings (Insulation & works)	5	G
ACO	Principal Officer review/restructure	50	G – complete
HTA	Draw down apprenticeship levy BTEC & Masters (therefore reduction in training budget)	10	G
ACO	Increase in interest received due to proactive investment management	25	A – C-19 impact on interest rates
ICT	Saving from Broadband contract	30	G – complete
ICT	Saving from mobile phone contract	10	G – complete
HPP	Online Communication Monitoring tool	10	G
HGAM	Replacement of Risk database	6	G – complete
ACO	Following efficiency review savings associated with provision of catering at incidents (not replacing van & catering trailer)	65	G
		328	

*** NB - All Savings have been removed from 2020-21 Base Budgets**