

TO: Policy and Resources Committee

FROM: Deputy Chief Executive Officer - Matthew Warren

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REVENUE AND CAPITAL BUDGET MONITORING REPORT 2017/18

1. Purpose

- 1.1 To provide the Policy and Resources Committee with an update on revenue and capital spending as at 30 November 2017.

2. Recommendation

- 2.1 The Committee is asked to note the position on revenue and capital spending.

3. Risk Assessment

- 3.1 No specific risks are associated with this report.

4. Background

- 4.1 The budget for 2017/18 was approved at the Fire Authority meeting held in February 2017. The total budget was set at £27.987m with a total precept of £18.376m.
- 4.2 At its meeting in June 2017 the Policy and Resources Committee approved a revenue carry forward of £2.974m. The resulting total net budget for the current financial year is £30.961m.
- 4.3 A budgetary control summary showing the main variations to the end of November 2017 is attached at Appendix 1.
- 4.4 As part of the budget preparation process for 2017/18 a total of £742k savings were identified. These savings were used to offset the loss of government grant.

5. Update – Revenue Expenditure

- 5.1 To the end of November 2017, the Service is above the budgeted establishment for firefighters. We recruited a group of new full-time firefighters who commenced training on 11 September 2017. This recruitment was undertaken to ensure that the impact of retirements on operational delivery over the next 12 months is reduced. The retirement profile and recruitment programme are reviewed annually. The current underspend against the training budget will be spent on the training of these new recruits.
- 5.2 The premises budget is currently underspent by £274k. This is expected to reduce by the end of the financial year as property maintenance work is completed and the winter energy bills are received and paid. The Service is receiving business rate refunds owing to a review of the rateable values of service properties which is also contributing to the current underspend.
- 5.3 The supplies and services budget is showing an underspend of £448k. The underspend largely relates to IT and communication equipment as the Service is awaiting invoices from the Home Office for Airwave charges.
- 5.4 The trend of underspending continues against the On-Call budget due to the establishment of On-Call firefighters being below that forecast; significant effort continues to be made to recruit additional On-Call firefighters and targeted recruitment campaigns are ongoing across the county.

6. Update - Capital Expenditure and Financing

- 6.1 The revised capital programme together with spending to date is shown in the table below:

| CAPITAL RECEIPTS BUDGET 2017 - 2018 | | | | | | | |
|-------------------------------------|-----|-----------------|----------------|-----------|-------------|------------------|-------------------------|
| | | Original Budget | Carry Forwards | Virements | Adjustments | Revised Estimate | Total Committed to Date |
| | | £000's | £000's | £000's | £000's | £000's | £000's |
| Expenditure | | | | | | | |
| Vehicles | 6.2 | 1,725 | 882 | 0 | 882 | 2,607 | 1,596 |
| Land & Buildings | 6.3 | 1,205 | 492 | 0 | 492 | 1,697 | 328 |
| Equipment | 6.4 | 209 | 250 | 0 | 250 | 459 | 244 |
| IT and Communications | 6.5 | 350 | 300 | -6 | 294 | 644 | 0 |
| | | 3,489 | 1,924 | -6 | 1,918 | 5,407 | 2,168 |
| Financing | | | | | | | |
| Capital Receipts | | -369 | 0 | 0 | 0 | -369 | 0 |
| Loan | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants | | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Grants Reserve | | 0 | 0 | 0 | 0 | 0 | 0 |
| Application of Capital Reserve | | -1,818 | -1,924 | 0 | -1,924 | -3,742 | -872 |
| Revenue Contribution | | -1,302 | 0 | 6 | 6 | -1,296 | -1,296 |
| | | -3,489 | -1,924 | 6 | -1,918 | -5,407 | -2,168 |

- 6.2 This budget covers the purchase of operational and non operational vehicles. This year the Authority approved the purchase of 47 vehicles, including three new fire appliances.
- 6.3 This budget covers the maintenance of existing properties and investment in new facilities. The adjustment relates to carry forwards from last year of funds provided for training enhancements and welfare facility upgrades.
- 6.4 The equipment relates to appliance ladders, heavy duty rescue equipment and other specialist firefighting equipment. The adjustment relates to a technical refresh of the Service's breathing apparatus and the purchase of nine specialist light pumps.
- 6.5 The ICT capital budget covers the purchase of major IT systems, hardware and the upgrade of communications equipment. The adjustment relates to agreed carry forwards from last years budget to complete the cyber security software implementation, upgrade of station projectors and unified communications project.

BIBLIOGRAPHY

| Source Document | Location | Contact Officer |
|--|---|---|
| Final Revenue and Capital Budget Position 2016/17 and Treasury Management Statement Policy and Resources Committee – June 2017 | Fire Service HQ Hinchingsbrooke Cottage Brampton Road Huntingdon PE29 2NA | Deb Thompson Scrutiny and Assurance Manager deb.thompson@cambsfire.gov.uk |

Appendix 1

| Category Desc | Paragraph | Revised Budget | Budget To Date | Actual To Date | Variance | Var %age |
|-------------------------------------|------------|---------------------|---------------------|---------------------|---------------------|----------|
| Full Time Firefighters | 5.1 | £ 10,678,230 | £ 7,124,103 | £ 7,309,248 | £ 185,145 | 3% |
| Control Room Staff | | £ 1,588,844 | £ 1,055,791 | £ 1,002,288 | -£ 53,503 | |
| Local Govt. Employees | | £ 3,252,231 | £ 2,301,776 | £ 2,210,515 | -£ 91,261 | |
| Senior Management (Hay) | | £ 2,562,845 | £ 1,708,379 | £ 1,611,832 | -£ 96,547 | |
| Recruitment & Training | 5.1 | £ 959,839 | £ 628,823 | £ 508,710 | -£ 120,113 | |
| Fire Allowances | | £ 479,940 | £ 313,455 | £ 323,962 | £ 10,507 | 3% |
| EMPLOYEE COSTS | | £ 19,521,929 | £ 13,132,327 | £ 12,966,554 | -£ 165,773 | |
| Property Maintenance | | £ 448,288 | £ 318,118 | £ 266,939 | -£ 51,179 | |
| Insurance | | £ 208,240 | £ 208,240 | £ 165,985 | -£ 42,255 | |
| Energy Costs | | £ 262,860 | £ 159,188 | £ 124,918 | -£ 34,270 | |
| Cleaning | | £ 137,457 | £ 92,807 | £ 76,974 | -£ 15,833 | |
| Rents & Rates | | £ 675,260 | £ 675,260 | £ 545,144 | -£ 130,116 | |
| PREMISES | 5.2 | £ 1,732,105 | £ 1,453,613 | £ 1,179,960 | -£ 273,653 | |
| Car & Cycle Allowances | | £ 65,690 | £ 43,788 | £ 64,186 | £ 20,398 | 47% |
| Vehicle Running Expenses | | £ 160,887 | £ 107,777 | £ 98,730 | -£ 9,047 | |
| Vehicle Insurance | | £ 172,250 | £ 161,966 | £ 180,374 | £ 18,408 | 11% |
| TRANSPORT AND MOVEABLE PLANT | | £ 398,827 | £ 313,531 | £ 343,290 | £ 29,759 | |
| Office Expenses | | £ 349,183 | £ 233,118 | £ 165,988 | -£ 67,130 | |
| IT & Communications Equip. | | £ 1,874,445 | £ 1,500,508 | £ 1,192,788 | -£ 307,720 | |
| Fire Equipment | | £ 279,044 | £ 171,879 | £ 220,367 | £ 48,488 | 28% |
| Uniforms & Clothing | | £ 400,006 | £ 272,450 | £ 217,663 | -£ 54,787 | |
| Other Supplies & Services | | £ 1,463,161 | £ 856,650 | £ 789,543 | -£ 67,107 | |
| SUPPLIES AND SERVICES | 5.3 | £ 4,365,839 | £ 3,034,605 | £ 2,586,349 | -£ 448,256 | |
| CONTROLLABLE EXPENDITURE | | £ 26,018,700 | £ 17,934,076 | £ 17,076,153 | -£ 857,923 | |
| Other Income | | -£ 1,312,570 | -£ 697,557 | -£ 902,033 | -£ 204,476 | |
| Other Government Grants | | -£ 267,350 | -£ 178,214 | -£ 277,870 | -£ 99,656 | |
| CONTROLLABLE INCOME | | -£ 1,579,920 | -£ 875,771 | -£ 1,179,904 | -£ 304,133 | |
| NET CONTROLLABLE EXPENDITURE | | £ 24,438,780 | £ 17,058,305 | £ 15,896,249 | -£ 1,162,056 | |
| Debt Charges | | £ 3,285,931 | £ 340,174 | £ 54,467 | -£ 285,707 | |
| External Interest | | -£ 90,000 | -£ 26,145 | -£ 25,974 | £ 171 | 1% |
| CAPITAL FINANCING | | £ 3,195,931 | £ 314,029 | £ 28,493 | -£ 285,536 | |
| Pensions - Lump Sums | | £ 598,170 | £ 398,742 | £ 381,184 | -£ 17,558 | |
| Operational Fire Budget | | £ 2,728,610 | £ 1,785,705 | £ 1,663,378 | -£ 122,327 | |
| SAFETY-NETTED EXPENDITURE | 5.4 | £ 3,326,780 | £ 2,184,447 | £ 2,044,562 | -£ 139,885 | |
| NET EXPENDITURE | | £ 30,961,491 | £ 19,556,781 | £ 17,969,303 | -£ 1,587,477 | |