

Agenda Item: 8

TO: Policy and Resources Committee

FROM: Deputy Chief Executive Officer - Matthew Warren

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REVENUE AND CAPITAL BUDGET MONITORING REPORT 2016/17

1. Purpose

- 1.1 To provide the Policy and Resources Committee with an update on revenue and capital spending as at 31 August 2016.

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 2016/17 was approved at the Fire Authority meeting held in February 2016. The total budget was set at £28.453m with a total precept of £17.773m.
- 4.2 At its meeting in June 2016 the Policy and Resources Committee approved a revenue carry forward of £1.501m. To date, £1.486m has been allocated to the new financial year budget. In addition, the funding in respect of committed orders for revenue and capital was also carried forward totalling £1.424m. The majority of this funding relates to the Yaxley site redevelopment. The resulting total net budget for the current financial year is £31.364m.
- 4.3 A budgetary control summary showing the main variations to the end of August 2016 is attached at Appendix 1.
- 4.4 As part of the budget preparation process for 2016/17 a total of £548k savings were identified. These savings were used to offset the loss of government grant.

5. Update – Revenue Expenditure

- 5.1 To the end of August 2016, the Service is just above the budgeted establishment for firefighters. However as the year progresses retirements will mean that

firefighter numbers will fall below the budgeted figure and this position will continue into the next financial year. It is for this reason that the Service recruited another 12 wholetime firefighters who commenced training (in Wales) on 1 September 2016. It is anticipated that this proactive recruitment will ensure that the Service does not need to recruit again before 2018. The existing underspend against the training budget will be spent on the new recruits training.

- 5.2 The underspend shown against the senior management budget relates to the saving associated with reducing the number of Directors from four to three. In addition, grant income relating to the local resilience forum is also included here.
- 5.3 Premises budget is showing an underspend. This is expected to diminish by the end of the financial year as property maintenance work is completed and the winter energy bills are received and paid.
- 5.4 The supplies and services budget is showing a significant underspend to date; much of this underspend relates to ICT contracts that are paid once year. In addition, there is a large order still to be completed on undress uniform that is currently contributing to the overall underspend. It is expected that this budget will be fully spent at year end.
- 5.5 The trend of under spending continues against the On Call budget due to the On Call firefighter establishment 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. A report was presented to the Authority in February 2016 outlining potential options; part of this (continuing) work is looking into ways that may incentivise members of the public to take on the role of an On Call firefighter in the future.

6. Update - Capital Expenditure and Financing

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

		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	1,731	231	0	231	1,962	858
Land & Buildings	6.3	940	776	0	776	1,716	65
Equipment	6.4	345	29	0	29	374	113
IT and Communications	6.5	350	243	0	243	593	-14
		3,366	1,279	0	1,279	4,645	1,022
Financing							
Capital Receipts		-456	0	0	0	-456	0
Loan		0	0	0	0	0	0
Grants		0	0	0	0	0	-1
Capital Grants Reserve		0	0	0	0	0	0
Application of Capital Reserve		-1,402	-1,279	0	-1,279	-2,681	0
Revenue Contribution		-1,508	0	0	0	-1,508	-1,021
		-3,366	-1,279	0	-1,279	-4,645	-1,022

6.2 This budget covers the purchase of operational and non operational vehicles. This year the Authority approved the purchase of 49 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 a carry forward from last year of funds provided for training enhancements and the completion of the Yaxley site redevelopment. This year the Service is looking to replace a number of training towers.

6.4 The equipment relates to appliance ladders, heavy duty rescue equipment and other specialist firefighting equipment.

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 rollout of new PC equipment.

BIBLIOGRAPHY

Source Document	Location	Contact Officer
None		

Appendix 1

Description	Paragraph	Revised Budget £	Budget to Date £	Actual to Date £	Variance £	Variance %
Full Time Firefighters	5.1	10,523,050	3,505,545	3,534,058	28,513	0.81%
Control Room Staff		1,539,060	513,738	488,526	-25,212	-4.91%
Local Govt. Employees	5.2	3,174,075	925,046	881,574	-43,472	-4.70%
Senior Management (Hay)	5.2	2,799,975	918,654	776,990	-141,664	-15.42%
Recruitment & Training	5.1	782,239	274,925	226,523	-48,402	-17.61%
Fire Allowances		474,455	146,584	163,507	16,923	11.54%
EMPLOYEE COSTS		19,292,854	6,284,492	6,071,178	-213,314	1.11%
Property Maintenance		375,282	147,337	95,195	-52,142	-35.39%
Insurance		208,270	121,421	97,617	-23,804	-19.60%
Energy Costs		268,310	87,510	72,698	-14,812	-16.93%
Cleaning		136,971	46,306	16,947	-29,359	-63.40%
Rents & Rates		551,270	551,270	548,671	-2,599	-0.47%
PREMISES	5.3	1,540,103	953,844	831,128	-122,716	7.97%
Car & Cycle Allowances		69,120	23,023	23,874	851	3.70%
Vehicle Running Expenses		157,356	52,933	29,864	-23,069	-43.58%
Vehicle Insurance		172,250	92,793	84,049	-8,744	-9.42%
TRANSPORT AND MOVEABLE PLANT		398,726	168,749	137,787	-30,962	7.77%
Office Expenses		346,544	118,543	102,654	-15,889	-13.40%
IT & Communications Equip.		1,537,019	691,601	578,820	-112,781	-16.31%
Fire Equipment		288,613	88,137	24,021	-64,116	-72.75%
Uniforms & Clothing		522,597	210,736	115,711	-95,025	-45.09%
Other Supplies & Services		2,529,067	703,721	732,154	28,433	4.04%
SUPPLIES AND SERVICES	5.4	5,223,840	1,812,738	1,553,361	-259,377	4.97%
Debt Charges		3,067,690	-15,399	-15,783	-384	2.49%
External Interest		-90,000	-8,982	3,489	12,471	-138.84%
CAPITAL FINANCING		2,977,690	-24,381	-12,295	12,087	0.41%
CONTROLLABLE EXPENDITURE		29,433,213	9,195,442	8,581,159	-614,283	2.09%
Other Income		-1,273,570	-276,358	-394,479	-118,121	42.74%
Other Government Grants		-455,846	-151,934	-143,844	8,090	-5.32%
CONTROLLABLE INCOME		-1,729,416	-428,292	-538,323	-110,031	6.36%
NET CONTROLLABLE EXPENDITURE		27,703,797	8,767,150	8,042,836	-724,314	2.61%
Pensions - Lump Sums		595,860	198,600	191,994	-6,606	-3.33%
Operational Fire Budget		3,064,010	1,022,893	783,188	-239,705	-23.43%
SAFETY-NETTED EXPENDITURE	5.5	3,659,870	1,221,493	975,182	-246,311	6.73%
NET EXPENDITURE		31,363,667	9,988,643	9,018,018	-970,625	-9.72%