

TO: Policy and Resources Committee

FROM: Deputy Chief Executive Officer - Matthew Warren

PRESENTING OFFICER(S): 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 31 August 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 August 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 August 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 new recruits training.
- 5.2 The premises budget is showing an underspend of £241k. 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. The Service is receiving business rate refunds due to a review of the rateable values of service properties which is also contributing to the current underspend. Insurance is showing additional costs as a result of financial year-end adjustments. These adjustments will be reversed resulting in a balanced budget at year-end.
- 5.3 The supplies and services budget is showing an underspend of £288k. 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 under spending 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	1,128
Land & Buildings	6.3	1,205	492	0	492	1,697	169
Equipment	6.4	209	250	0	250	459	100
IT and Communications	6.5	350	300	-6	294	644	0
		3,489	1,924	-6	1,918	5,407	1,397
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	-101
Revenue Contribution		-1,302	0	6	6	-1,296	-1,296
		-3,489	-1,924	6	-1,918	-5,407	-1,397

6.2 This budget covers the purchase of operational and non operational vehicles. This year the Authority approved the purchase of 48 vehicles, including three new fire appliances and a foam water carrier.

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	£ 10,660,540	£ 4,471,031	£ 4,548,875	£ 77,844	2%
Control Room Staff		£ 1,588,844	£ 659,230	£ 609,301	-£ 49,929	
Local Govt. Employees		£ 3,323,349	£ 1,616,445	£ 1,508,496	-£ 107,949	
Senior Management (Hay)		£ 2,381,241	£ 978,632	£ 975,379	-£ 3,253	
Recruitment & Training	5.1	£ 1,019,172	£ 402,410	£ 224,884	-£ 177,526	
Fire Allowances		£ 479,940	£ 180,607	£ 200,777	£ 20,170	11%
EMPLOYEE COSTS		£ 19,453,086	£ 8,308,355	£ 8,067,713	-£ 240,642	
Property Maintenance		£ 448,288	£ 240,683	£ 171,094	-£ 69,589	
Insurance		£ 208,240	£ 121,405	£ 158,082	£ 36,677	30%
Energy Costs		£ 262,860	£ 106,197	£ 96,573	-£ 9,624	
Cleaning		£ 137,457	£ 57,579	£ 37,521	-£ 20,058	
Rents & Rates		£ 675,260	£ 675,260	£ 556,110	-£ 119,150	
PREMISES	5.2	£ 1,732,105	£ 1,201,124	£ 1,019,379	-£ 181,745	
Car & Cycle Allowances		£ 65,490	£ 27,280	£ 41,453	£ 14,173	52%
Vehicle Running Expenses		£ 160,887	£ 67,963	£ 60,597	-£ 7,366	
Vehicle Insurance		£ 172,250	£ 95,289	£ 155,853	£ 60,564	64%
TRANSPORT AND MOVEABLE PLANT		£ 398,627	£ 190,532	£ 257,903	£ 67,371	35%
Office Expenses		£ 349,952	£ 146,918	£ 111,639	-£ 35,279	
IT & Communications Equip.		£ 1,875,186	£ 1,119,678	£ 979,084	-£ 140,594	
Fire Equipment		£ 278,261	£ 105,342	£ 6,843	-£ 98,499	
Uniforms & Clothing		£ 400,006	£ 177,209	£ 144,753	-£ 32,456	
Other Supplies & Services		£ 1,531,435	£ 596,571	£ 614,998	£ 18,427	3%
SUPPLIES AND SERVICES	5.3	£ 4,434,840	£ 2,145,718	£ 1,857,316	-£ 288,402	
CONTROLLABLE EXPENDITURE		£ 26,018,658	£ 11,845,729	£ 11,202,311	-£ 643,418	
Other Income		-£ 1,312,570	-£ 344,277	-£ 513,872	-£ 169,595	
Other Government Grants		-£ 267,350	-£ 111,377	-£ 239,641	-£ 128,264	
CONTROLLABLE INCOME		-£ 1,579,920	-£ 455,654	-£ 753,513	-£ 297,859	
NET CONTROLLABLE EXPENDITURE		£ 24,438,738	£ 11,390,075	£ 10,448,799	-£ 941,276	
Debt Charges		£ 3,285,931	£ 287,251	£ 18,342	-£ 268,909	
External Interest		-£ 90,000	-£ 10,710	-£ 6,374	£ 4,336	40%
CAPITAL FINANCING		£ 3,195,931	£ 276,541	£ 11,968	-£ 264,573	
Pensions - Lump Sums		£ 598,170	£ 249,199	£ 238,322	-£ 10,877	
Operational Fire Budget		£ 2,728,610	£ 1,138,942	£ 1,007,581	-£ 131,361	
SAFETY-NETTED EXPENDITURE	5.4	£ 3,326,780	£ 1,388,141	£ 1,245,903	-£ 142,238	
NET EXPENDITURE		£ 30,961,449	£ 13,054,757	£ 11,706,670	-£ 1,348,087	