

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

15 FEBRUARY 2016

1. **MONITORING OF FINANCES**

Joint report of the Chief Fire Officer and Treasurer.

RECOMMENDED

THAT the report be noted.

2. **PURPOSE OF REPORT**

2.1 This report deals with the monitoring of the finances of the Authority in the current financial year and covers revenue expenditure and the Capital Programme.

2.2 Expenditure is compared with a profile of the Authority's budget.

3. **BACKGROUND**

3.1 **Revenue Expenditure**

Appendix A compares the revenue budgeted to the end of January 2016 with the actuals to that date. Devolved budgets are managed by the Department responsible for incurring the expenditure as opposed to corporate budgets, which are managed by the named Department on behalf of the Brigade as a whole.

The Authority's 2015/2016 Council Tax requirement is £36.211 million and the revenue budget is £98.538 million. As part of the Authority's 2016/2017 budget setting process, the current year's budget has been revised and reflects an estimated transfer to earmarked balances of £3.303 million. Actual spend to January 2016, including commitments, was £79.123 million compared to a projected budget of £79.363 million, an overall favourable variance of £0.240 million. This is predominately due to savings across Fire Stations and operational staff members being below budgeted establishment.

Appendix B provides statistical data relating to the Firefighters' Pension Scheme.

3.2 **Capital Expenditure**

The Authority's approved capital programme for 2015/2016 is £5.512 million. A scheme analysis is shown on Appendix C. Expenditure to the end of January 2016 is shown as £2.853 million.

The main variance within the Capital Programme relates to the Vehicle Replacement Programme (VRP). This is due to tender prices for the replacement of fire engines being lower than estimated combined with the replacement of the Detection, Identification & Monitoring (DIM) vehicle being deferred following notification from the Department of Communities and Local Government that a review is being undertaken which includes the current fleet of national DIM vehicles, for which national funding may be provided.

The other significant variance relates to the Training at Height Facilities which have been deferred to next financial year.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report, an initial Equality Impact Assessment is not required and has not been carried out because the matters contained in this report do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

6. **FINANCIAL IMPLICATIONS**

These are contained in the body of the report and the attached Appendices.

BACKGROUND PAPERS

Authority's Budget and Precept Report – February 2015
Finance Office Budget Monitoring Files

The contact officer for this report is Philip Hales, Deputy Chief Fire Officer, telephone number 0121 380 6907

PHIL LOACH
CHIEF FIRE OFFICER

MIKE GRIFFITHS
TREASURER

REVENUE MONITORING SUMMARY TO JANUARY 2016

	LATEST BUDGET 2015/2016 £'000	PROFILED BUDGET £'000	ACTUALS + COMMIT -MENTS £'000	VARIANCE TO PROFILED BUDGET £'000
<u>DEVOLVED BUDGETS</u>				
Corporate Management	3,192	2,840	2,833	-7
Service Support				
People Support Services	2,628	2,165	2,127	-38
Operational Training	2,809	2,306	2,282	-24
Operational Preparedness	959	862	881	19
Operational Assurance	505	414	399	-15
Finance & Resources	4,000	3,250	3,228	-22
ICT	4,191	3,637	3,626	-11
Service Delivery				
Operations	8,402	6,506	6,401	-105
<u>CORPORATE BUDGETS</u>				
Service Support				
People Support Services	3,100	2,581	2,546	-35
Operational Preparedness	- 80	-35	-13	22
Finance and Resources	17,946	15,096	15,104	8
Service Delivery				
Response	47,643	39,790	39,765	-25
Prevention	-14	0	0	0
Protection	-46	- 49	- 56	-7
Appropriations/Earmarked	3,303	0	0	0
Total	98,538	79,363	79,123	- 240
Grant Funding	- 62,327	- 53,483	-53,483	0
GRAND TOTAL	36,211	25,880	25,640	-240

FIREFIGHTERS' PENSION SCHEMES

NON-FINANCIAL INFORMATION	2015/16 PROJECTION				ACTUAL POSITION AS AT JANUARY 2016			
	1992 FPS	2006 FPS	2015 FPS	TOTAL	1992 FPS	2006 FPS	2015 FPS	TOTAL
Members of FPS at 1 st April 2015	593	24	879	1,496	593	24	879	1,496
New Members	-	-	-	-	-	-	-	-
Opt-In	-	-	-	-	-	-	4	4
Transitional Members during year	-38	-1	39	0	-20	-	20	-
Transfers from Other Pension Schemes	-	-	7	7	-	-	-	-
Transfers to Other Pension Schemes	-	-2	-	-2	-	-	-	-
Retirements	-76	-	-	-76	-57	-	-	-57
Opt-Out	-	-	-	-	-3	-3	-10	-16
Leavers	-	-	-	-	-8	-1	-	-9
Ill-Health Retirements	-3	-	-	-3	-3	-	-	-3
Members of the Fire Pension Schemes as at 31st January 2016					502	20	893	1,415

CAPITAL MONITORING STATEMENT 2015/16

Scheme	Year 2015/16	Latest Budget	Actuals to Jan 2016	Forecast	Variance
		£'000	£'000	£'000	£'000
<u>LAND & BUILDINGS</u>					
Haden Cross Fire Station	3 or 3	126	82	146	+20
Training at Height Facilities	10 of 10	363	1	3	-360
Boiler Replacement Programme	Ongoing	229	128	185	-44
Roof Replacements	Ongoing	108	0	48	- 60
Windows/Door Replacement	Ongoing	269	191	317	+48
Rewires	Ongoing	120	0	55	-65
Dignity at Work	2 of 2	407	363	390	-17
Asbestos Removal	Ongoing	27	18	20	-7
Coventry Fire Station	1 of 3	0	25	25	+25
Aston Fire Station	1 of 3	0	6	6	+6
Fire Control Relocation	2 of 2	7	7	7	-
<u>VEHICLES</u>					
Vehicle Replacement Programme	Ongoing	3,108	1,716	2,672	-436
<u>ICT & EQUIPMENT</u>					
MDT Upgrades/Replacements	2 of 2	310	0	310	-
Fire Control C&C Upgrade	3 of 3	167	167	167	-
Other Equipment	2 of 2	5	5	5	-
Thermal Image Cameras	8 of 8	138	124	124	- 14
Oracle Licensing	8 of 8	25	0	0	-25
Pension System Replacement	2 of 2	23	0	0	-23
PBX Upgrade	1 of 1	80	20	80	-
Grand Total		5,512	2,853	4,560	- 952
<u>Funded By</u>					
Prudential Borrowing		0		0	-
Capital Grants/Contributions		4,993		4,560	-433
Capital Receipts to be Applied		0		0	-
Direct Revenue Financing/Earmarked Reserves		519		0	- 519
TOTAL		5,512		4,560	- 952
SURPLUS(-)/DEFICIT(+)					