

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

23 NOVEMBER 2015

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 October 2015 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. Actual spend to October 2015, including commitments, was £56.750 million compared to a projected budget of £57.120 million, an overall favourable variance of £0.370 million. This is predominately due to staff vacancies within Fire Control and Operational Training, together with expenditure savings across Fire Stations. An adverse variance is currently shown against People and Performance, mainly due to Operation staff numbers being above the budgeted establishment in the early part of the year, although it is anticipated that savings will be made later in the year to offset the variance as a result of the recruitment freeze.

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 October 2015 is shown as £1.495 million.

The capital scheme with the most significant expenditure for the year relates to the Vehicle Replacement Programme (VRP). The make-up of the procurement exercise means that the majority of expenditure will be incurred in the final quarter of the financial year.

The main variance within the Capital Programme also relates to the VRP. This is due to the 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 for 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.

Other variances include the re-roof at Hay Mills Fire Station which is not required following the results of a full structural survey, roofing works at Sheldon Fire Station being lower than estimated and rewiring at Highgate Fire Station being deferred to 2016/17 to allow a full site survey.

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 OCTOBER 2015

	LATEST BUDGET 2015/2016 £'000	PROFILED BUDGET £'000	ACTUALS + COMMIT -MENTS £'000	VARIANCE TO PROFILED BUDGET £'000
DEVOLVED BUDGETS				
Corporate Management	3,119	2,293	2,308	15
Service Support				
People Support Services	2,481	1,463	1,400	-63
Operational Training	3,608	2,016	1,892	-124
Emergency Response	2,682	1,543	1,428	-115
Finance and Resources	4,491	2,214	2,111	-103
ICT	4,112	3,028	3,039	11
Service Delivery				
Operations	7,266	3,961	3,769	-192
CORPORATE BUDGETS				
Corporate Management	43	0	0	0
Service Support				
Operational Training	150	75	71	-4
Emergency Response	-57	-8	-20	-12
Finance and Resources	20,355	11,265	11,255	-10
People Support Services	2,755	1,502	1,514	12
Service Delivery				
People and Performance	47,203	27,614	27,851	237
Response and Resource Management	365	179	193	14
Operations – Other	-35	-25	-61	-36
Appropriations/Earmarked	0	0	0	0
Total	98,538	57,120	56,750	-370
Grant Funding	-62,327	-40,403	-40,403	0
GRAND TOTAL	36,211	16,717	16,347	-370

FIREFIGHTERS' PENSION SCHEMES

NON-FINANCIAL INFORMATION	2015/16 PROJECTION				ACTUAL POSITION AS AT OCTOBER 2015			
	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 During Year	-	-	-	-	-	-	-	-
Transitional Members during year	-38	-1	39	0	-11	-	11	-
Transfers from Other Pension Schemes	-	-	7	7	-	-	-	-
Transfers to Other Pension Schemes	-	-2	-	-2	-	-	-	-
Retirements	-64	-	-	-64	-40	-	-	-40
Opt Out	-	-	-	-	-	-	-10	-10
Leavers	-12	-	-	-12	-8	-	-	-8
Ill-Health Retirements	-3	-	-	-3	-3	-	-	-3
Members of the Fire Pension Schemes as at 31 st October 2015					531	24	880	1,435

CAPITAL MONITORING STATEMENT 2015/16

Scheme	Year 2015/16	Latest Budget	Actuals to Oct 2015	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	0	363	-
Boiler Replacement Programme	Ongoing	229	9	185	-44
Roof Replacements	Ongoing	108	0	48	- 60
Windows/Door Replacement	Ongoing	269	142	317	+48
Rewires	Ongoing	120	0	55	-65
Dignity at Work	2 of 2	407	242	390	-17
Asbestos Removal	Ongoing	27	11	42	+15
Coventry Fire Station	1 of 3	0	4	4	+4
Aston Fire Station	1 of 3	0	5	5	+5
Fire Control Relocation	2 of 2	7	7	7	-
<u>VEHICLES</u>					
Vehicle Replacement Programme	Ongoing	3,108	697	2,649	-459
<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	128	-10
Oracle Licensing	8 of 8	25	0	0	-25
Pension System Replacement	2 of 2	23	0	1	-22
PBX Upgrade	1 of 1	80	0	80	-
Grand Total		5,512	1,495	4,902	- 610
<u>Funded By</u>					
Prudential Borrowing		0		0	-
Capital Grants/Contributions		4,985		4,902	-83
Capital Receipts to be Applied		0		0	-
Direct Revenue Financing/Earmarked Reserves		527		0	- 527
TOTAL		5,512		4,902	- 610
SURPLUS(-)/DEFICIT(+)					