

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

18 NOVEMBER 2019

1. MONITORING OF FINANCES

Report of the 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

3.1.1 Appendix A compares the revenue budgeted to the end of October 2019 with the actuals to that date. Devolved budgets are managed by the Section responsible for incurring the expenditure as opposed to corporate budgets, which are managed by the named Section on behalf of the Brigade as a whole.

3.1.2 The Authority's 2019/2020 Council Tax requirement is £43.215 million and the revenue budget is £96.778 million. As part of the Authority's 2019/2020 budget setting process the current year's budget reflects an estimated transfer from general balances of £1.100 million. Actual spend to October 2019, including commitments, was £54.923 million compared to a projected budget of £55.115 million, an overall favourable variance of £0.192 million.

3.1.3 The most significant variances relate to Service Delivery – Response (adverse variance £427k against the annual saving target of £3.8m) which is off-set mainly by salary related savings within People Support Services, Operations and Corporate Service Support.

3.1.4 In funding, there has been additional section 31 grant which has been notified to the Authority following the February 2019 budget setting meeting.

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

3.2 **Capital Expenditure**

3.2.1 The Authority's approved capital programme for 2019/2020 is £8.956 million. A scheme analysis is shown on Appendix C. Expenditure to the end of October 2019 is shown as £2.904 million.

3.2.2 The main forecast variance within the capital programme relates to:

- Vehicle Replacement Programme – delayed purchase of the command support vehicle pending the outcome of a review, awaiting the decision of Government funding for the Detection, Identification and Monitoring vehicle and slippage of 5 PRL's to 2020/21.
- Aston Fire Station where there has been a delay to the completion of the refurbishment phase of the current station which has slipped to quarter 1 of 2020/21.
- Coventry Fire House refurbishment requires to be retendered and has therefore slipped into 2020/21.
- Replacement of windows and doors at Dudley, Handsworth and Sheldon Fire Stations have been re-phased to 2020/21.

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 2019
Finance Office Budget Monitoring Files

The contact officer for this report is Gary Taylor, Assistant Chief Fire Officer, Strategic Enabler (Process), telephone number 0121 380 6006.

MIKE GRIFFITHS
TREASURER

REVENUE MONITORING SUMMARY TO OCTOBER 2019

	LATEST BUDGET 2019/2020 £'000	PROFILED BUDGET £'000	ACTUALS + COMMIT -MENTS £'000	VARIANCE TO PROFILED BUDGET £'000
<u>DEVOLVED BUDGETS</u>				
Corporate Management	2,878	1,705	1,701	-4
Corporate Charges	-5,325	-5,306	-5,288	18
Service Support				
People Support Services	6,554	3,796	3,715	-81
Intelligence and Innovation	2,490	1,535	1,492	-43
Finance & Resources	5,317	2,997	2,968	-29
ICT	4,954	3,070	3,015	-55
Service Delivery				
Operations	10,470	5,821	5,568	-253
<u>CORPORATE BUDGETS</u>				
Service Support				
People Support Services	2,596	1,669	1,496	-173
Intelligence and Innovation	100	50	47	-3
Finance and Resources	20,593	12,963	12,951	-12
ICT	138	80	86	6
Service Delivery				
Response	44,520	25,978	26,405	427
Protection	-47	-39	-24	15
Other Income & Expenditure	1,540	796	791	-5
Appropriation to Reserves				
TOTAL (NET BUDGET REQUIREMENT)	96,778	55,115	54,923	-192
Core Funding	-53,563	-34,454	-34,654	-200
TOTAL (COUNCIL TAX REQUIREMENT)	43,215	20,661	20,269	-392

FIREFIGHTERS' PENSION SCHEMES

NON-FINANCIAL INFORMATION	2019/20 PROJECTION				ACTUAL POSITION AS AT OCTOBER 2019			
	1992 FPS	2006 FPS	2015 FPS	TOTAL	1992 FPS	2006 FPS	2015 FPS	TOTAL
Members of FPS at 1st April 2019	212	8	1,022	1,242	212	8	1,022	1,242
New Members	-	-	80	80	-	1	46	47
Opt-In (including net auto-enrolment)	-	-	-	-	-	1	36	37
Transitional Members during year	-32	-1	33	-	-12	-2	14	-
Transfers from Other Pension Schemes	-	-	10	10	-	-	-	-
Transfers to Other Pension Schemes	-	-	-3	-3	-	-	-	-
Retirements	-55	-2	-	-57	-42	-	-3	-45
Opt-Out	-	-	-13	-13	-	-2	-17	-19
Leavers	-3	-	-14	-17	-3	-	-9	-12
Ill-Health Retirements	-2	-	-1	-3	-	-	-	-
Members of the Fire Pension Schemes as at 31st October 2019					155	6	1,089	1,250

CAPITAL MONITORING STATEMENT 2019/20

Scheme	Year 2019/20	Latest Budget £'000	Actuals October 2019 £'000	Forecast £'000	Variance £'000
<u>LAND & BUILDINGS</u>					
Boiler Replacement Programme	Ongoing	151	16	151	-
Roof Replacements	Ongoing	160	21	160	-
Windows/Door Replacement	Ongoing	276	1	39	-237
Rewires	Ongoing	426	115	426	-
Coventry Fire Station	5 of 5	171	69	171	-
Drill Towers / Training Facilities	2 of 2	295	38	45	-250
Security Works	1 of 1	68	0	68	-
HQ Alterations	3 of 3	42	52	52	+10
Aston Fire Station	5 of 5	3,205	1,534	2,905	-300
<u>VEHICLES</u>					
Vehicle Replacement Programme	Ongoing	3,540	857	2,172	-1,368
<u>ICT & EQUIPMENT</u>					
Enterprise Resource Planning (ERP)	1 of 2	180	0	180	-
C&C Upgrade Vision 4 / ESMCP	4 of 4	417	201	422	+5
Oracle Licensing	9 of 9	25	0	25	-
Grand Total		8,956	2,904	6,816	-2,140
<u>Funded By</u>					
Prudential Borrowing		0		0	-
Capital Grants / Contributions		157		157	-
Capital Receipts to be Applied		0		0	-
Revenue Financing / Earmarked Reserves		8,799		6,659	-2,140
TOTAL		8,956		6,816	-2,140
SURPLUS(-)/DEFICIT(+)					