



Meeting	Fire and Rescue Performance and Resources Board	Agenda Item	7
Meeting Date	23 rd October 2017	Report Number	
Report Author:	Jayesh Padania, Finance Manager		
Presented By	Glenn McGuinness, Deputy Finance Director		
Subject	Budget Review – September 2017		
Type of Report:	Information		

SUMMARY

This paper reports on expenditure against budget as at 30 September 2017 and identifies and comments on major budget variations. In addition the report includes key indicators that act as lead indicators for expenditure across the Authority.

RECOMMENDATIONS

Service leadership team members are asked to:

1. Note the position on income and expenditure at 30 September 2017 compared to the budget approved by the EFA on 15 February 2017.
2. Note the capital expenditure spend against budget for the period to 30 September 2017.

BACKGROUND

This table below shows actual expenditure against budget to 30 September 2017.

Description	YTD Actual	YTD Budget	Variance YTD	% Variance	YTD
	£'000s	£'000s	£'000s	YTD	Commitments £'000s
Firefighters	14,458	14,605	(147)	-1.0%	-
On Call Firefighters	2,514	2,716	(202)	-7.4%	-
Control	685	690	(5)	-0.7%	-
Support Staff	7,141	6,940	202	2.9%	12
Total Employment Costs	24,798	24,950	(153)	-0.6%	12
Support Costs	841	901	(61)	-6.7%	77
Premises & Equipment	4,965	5,237	(272)	-5.2%	1,124
Other Costs & Services	1,672	1,861	(188)	-10.1%	452
Ill health pension costs	1,174	1,124	50	4.4%	-
Financing Items	751	776	(25)	-3.3%	3
Operational income	(2,123)	(1,891)	(232)	12.3%	0
Contribution to/(from) Reserves	33	33	-	0.0%	-
Total Other Costs	7,313	8,042	(729)	-9.1%	1,655
Total Budget	32,111	32,992	(881)	-2.7%	1,667
Total Funding	(36,092)	(36,199)	107	-0.3%	-
Funding Gap / (Surplus)	(3,981)	(3,207)	(774)	24.1%	1,667

More detailed figures are provided at appendix 1

STAFFING

Overall employment costs are £153K (0.6%) under budget for the 6 months to 30 September 2017.

Spend for whole time fire-fighters is £147K (1.0%) under budget:-

- £276k underspend (2.5%) on Firefighter basic pay, reflecting the actual headcount being lower than budget
- £ 35k underspend on salary related costs
- £164K overspend on overtime, of which £225k is for Additional Shift Working (further comments under Watch Based Firefighters section)

For on-call firefighters, spend is £202K (7.4%) under budget:-

- £73k underspend relates to actual average headcount at 489.9 has been consistently below budget at 519 this year
- £129k due to activity levels being lower than budget

Support staff pay is £202K (2.9%) over budget for the 6 month to 30 September.

This is comprised of:-

- An overspend of £41K on Secondary Contract Staff
 - £30k adverse variance for Training Dept., this is offset in part by £19K income from EFAT for Training Dept.
 - £15k adverse variance for Community Safety of which £32K in August 2017 relating to Secondary Contract staff being paid accrued Casual Holiday Pay as in previous years
 - £12K adverse variance for Control
 - £16k favourable variance for operations

- The overspend of £161K for Support Staff (Excl. Secondary Contracts) is made up of:-
 - £142K for Casual and Temporary Staff and
 - £19K on directly employed staff

 - Average actual FTE to date is 294.7, which is 0.8 below budget resulting in an favourable variance of £16K
 - The actual average pay rate per employee is £599 higher than budgeted leading to an adverse variance of £177K

Appendix 3 – Table Summary of Support Staff numbers for September 2017.

Whole-time fire-fighter numbers at 606.0 are 14.0 (2.36%) below phased budget at the end of September.

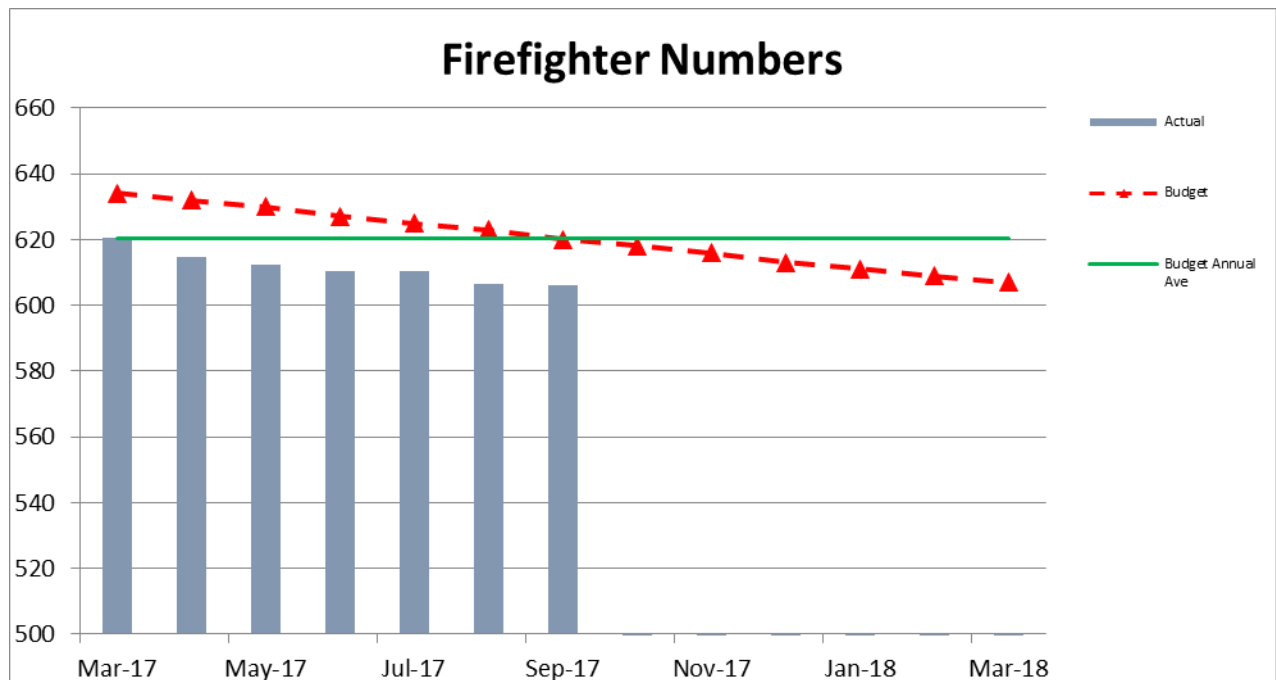
The staffing position at the end of September is summarised below (% figures rounded):

30 Sep 2017	Actual	Phased Budget	Variance	
Wholetime Firefighters - FTE (Excl. ASW)	606.0	620.0	-14.0	-2%
On-Call Firefighters - Headcount	506.0	519.0	-13.0	-3%
Control - FTE	32.3	33.0	-0.7	-2%
Support Staff :-				
Support Staff (Incl Temps) - FTE	283.4	285.5	-2.1	-1%
Additional Community Safety Budget Funding £400K	10.7	10.0	0.7	7%
Total Support Staff - FTE	294.1	295.5	-1.4	0%
Total	1,732.5	1,763.0	-30.5	-2%

The figures in the table above show on-call fire-fighters on a headcount basis. On a full time equivalent basis there are 404.8 fire-fighters.

The number of whole-time fire-fighters aged over 50 with more than 30 years' service was 12 as at the end of September. The number of fire-fighters aged over 50 with more than 25 years' service was 64 as at the end of September.

The graph below shows the numbers of whole-time fire-fighters compared to the budget for the year.



WATCH BASED FIREFIGHTERS

The numbers of Watch Based Fire-fighters compared to the target levels set by the Authority are shown below.

Date	Budgeted Rider Resource	Optimum Rider Resilience Level	Critical Minimum Rider Requirement	Actual Riders	Additional Shift Working (FTE) <small>Based on Payroll Data</small>	On-Call Firefighters Mixed Crewing (FTE)
31/08/2017	524	500	476	470.0	40.7	0.0
30/09/2017	524	500	476	469.0	45.8	0.0

Additional Shift working for September shows a resource of 45.8 FTE resulting in a year to 30 September (based on Payroll Data) a cost of £246,372.

A separate analysis has been produced to review the cost incurred and impact on the annual budget for the remaining year.

ON-CALL FIREFIGHTERS

Appendix 2 -On Call Firefighter nos. by Station

The table shows that we have a headcount of 506 firefighters at 30 September 2017 a net increase of 24.0 from the 482.0 at 1 April 2017. In September there were 16 new joiners (4 at Sth Woodham Ferrers, 4 at Sible Hedingham, 3 at West Mersea and remaining at various stations) and 2 leavers at Brentwood and Epping.

NON-PAY RELATED EXPENDITURE

Non-pay expenditure is £497K underspent for the 6 month to 30 September; in addition operational income is £232K more than budget.

Support costs are £61K (6.7%), underspent for the 6 month to 30 September, the main areas of underspend are travelling and subsistence - £73K (26.4%) and training - £29K (10.1%), with an overspend on Employee Support Costs - £41K (12.3%) which was due to an increase in provision for excess stocks of staff uniform.

Premises and equipment is £272K (5.2%), underspent the main areas of underspend are IT Systems £293K (23.2%); Equipment and Supplies £75K (10.2%) and Utilities £50K (16.9%). The main overspends were on Property Maintenance £73k (6.7%) relating to Furniture and Fitting for On-Call conversion at Clacton and PCC Offices at Kelvedon Park and IT Communications £55K (7.8%)

Other costs and services are £188K (10.1%) underspent, mainly relating to lower than budgeted spend on Consultancy Fees, Other Local Authority Services and Legal Fees.

FORECAST

The first Forecast for 2017-18 has been compiled with the expected outturn position below:-

Description	Current Full Year Budget £'000s	Current Forecast £'000s	Forecast Variance £'000s
Firefighters	28,849	28,785	(64)
On Call Firefighters	6,086	5,925	(161)
Control	1,382	1,375	(7)
Support Staff	13,209	13,984	776
Total Employment Costs	49,526	50,070	544
Support Costs	1,944	1,988	45
Premises & Equipment	10,474	10,138	(337)
Other Costs & Services	3,761	3,658	(103)
Ill health pension costs	2,118	2,221	103
Financing Items	6,160	6,139	(21)
Operational income	(3,781)	(3,985)	(203)
Contribution to/(from) Reserves	(73)	(73)	-
Total Other Costs	20,602	20,085	(517)
Total Budget	70,128	70,156	27
Total Funding	(70,128)	(69,067)	1,061

This shows the overall forecast spend is in line with the budget.

The Forecast includes an overspend on Support Staff of £776K. The majority of which is for Agency Temporary staff, this is being discussed with Budget Holders to reduce this overspend.

The underspend forecast on Premises and Equipment of £337K is predominately on ICT.

The Forecast will be further reviewed on the result of the decision on the Additional Shift Working.

CAPITAL EXPENDITURE

Capital expenditure to 30 September 2017 is shown in the table below.

Total capital expenditure is £3.1m, the largest item included is £2.2m for new appliances. The figure also includes £0.2m for asset protection and service workshops.

The investment of £65K in information technology relates to replacing the MIS system for Community Safety and Fleet Workshops and £173k for HOBS and Finance Scanning Solutions.

	Original Budget 2017/18 £'000s	Approved Changes £'000s	Revised Budget £'000s	Total Spend including Commitments to end of September 2017 £'000s
Property				
New Premises				
Service Workshops	3,500	-	3,500	159
Existing Premises				
Solar Panels	-	-	-	38
Asset Protection	2,500	-	2,500	206
Asset Improvement Works	-	-	-	14
Total Property	6,000	-	6,000	418
Equipment	605	21	626	42
Information Technology				
Projects > £250k	-	-	-	31
Projects < £250k	2,400	-	2,400	207
Total Information Technology	2,400	-	2,400	238
Vehicles				
New Appliances	2,060	-	2,060	2,200
Other Vehicles	825	-	825	169
Total Vehicles	2,885	-	2,885	2,370
Total Capital Expenditure	11,890	21	11,911	3,068

RISK MANAGEMENT IMPLICATIONS

The review of expenditure against the profiled budget is part of the overall financial control process of the Authority. In exceptional circumstances it allows for budget virements to ensure that under spending against budget heads can be utilised to fund expenditure against other priorities. If virements are not made there is a risk that the Authority will miss out on opportunities to improve performance and meet key objectives during the year. The Authority's reserves are at the upper end of their target range and the Authority is able to fund short term fluctuations in activity from them when necessary.

The review of the management accounts is one control measure to mitigate the risk of overspending the Authority's budget for the year.

LEGAL AND EQUALITIES IMPLICATIONS

There are no direct legal or equalities implications within this report.

ACTIONS / NEXT STEPS

- Expenditure continues to be monitored with Budget Holders
- Decision on Additional Shift Working, to be discussed with Budget Holder

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of background documents – including appendices, hardcopy or electronic including any relevant link/s.	
Appendix 1 Management Accounts – September 2017	
Appendix 2 On Call Firefighter Headcount Numbers	
Appendix 3 Support Staff and Agency/Temp numbers	
Proper Officer:	Finance Director & Treasurer
Contact Officer:	Mike Clayton Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576109 Mike.clayton@essex-fire.gov.uk

Appendix 1

MANAGEMENT ACCOUNTS – August 2017

Description	YTD Actual	Variance YTD	% Variance	YTD
	£'000s	£'000s	YTD	Commitments £'000s
Firefighters	14,458	(147)	-1%	-
On-Call Fire-Fighters	2,514	(202)	-7%	-
Control	685	(5)	-1%	-
Support Staff	7,141	202	3%	12
Total Employment Costs	24,798	(153)	-1%	12
Training	258	(29)	-10%	51
Employee Support Costs	380	42	12%	24
Travel & Subsistence	203	(73)	-26%	2
Support Costs	841	(61)	-7%	77
Property Maintenance	1,151	72	7%	630
Utilities	245	(50)	-17%	1
Rent & Rates	705	14	2%	32
Equipment & Supplies	662	(75)	-10%	88
Communications	759	55	8%	302
Information Systems	969	(293)	-23%	46
Transport	473	5	1%	25
Premises & Equipment	4,965	(272)	-5%	1,124
Establishment Expenses	550	(2)	0%	52
Risk Protection	285	(0)	0%	-
Professional Fees & Services	690	(186)	-21%	400
Democratic Representation	69	(3)	-4%	-
Agency Services	78	3	4%	-
Other Costs & Services	1,672	(188)	-10%	452
III Health Pension costs	1,174	50	4%	-
Lease & Interest Charges	751	(25)	-3%	3
Financing Items	751	(25)	-3%	3
Operational income	(2,123)	(232)	12%	0
Contributions to/ (from) General Balances	-	(33)	0%	-
Total Net Financing Requirement	32,078	(915)	-3%	1,667
Revenue Support Grant	(7,021)	-	0%	-
National Non-Domestic Rates	(7,942)	(0)	-100%	-
Council Tax Collection Account	(425)	-	0%	-
Council Tax	(20,705)	107	0%	-
Total Funding	(36,092)	107	0%	-

Appendix 2

ON CALL FIREFIGHTER HEADCOUNT NUMBERS

Station	Actual For End of Sep 2017	Movement since 01 Apr 2017	Joiners since 01 Apr 2017	Leavers since 01 Apr 2017	Transfers In since 01 Apr 2017	Transfers Out since 01 Apr 2017
Billericay	14	1	2	(1)	0	0
Braintree	21	0	1	(1)	0	0
Brentwood	14	(1)	1	(3)	1	0
Brightlingsea	11	(1)	0	(1)	0	0
Burnham	11	0	0	0	0	0
Canvey Island	17	0	0	0	0	0
Clacton	19	19	19	0	0	0
Coggeshall	12	0	0	0	0	0
Corringham	12	1	2	(1)	0	0
Dovercourt	14	2	2	0	0	0
Dunmow	19	2	2	0	0	0
Epping	13	(1)	0	(1)	0	0
Frinton	14	(1)	0	(1)	0	0
Halstead	18	(2)	1	(4)	1	0
Hawkwell	14	0	0	0	0	0
Ingatestone	10	(1)	2	(2)	0	(1)
Leaden Roding	7	0	0	0	0	0
Maldon	20	(1)	0	(1)	0	0
Manningtree	15	1	1	0	0	0
Newport	11	1	1	0	0	0
Old Harlow	13	1	2	(1)	0	0
Ongar	9	2	2	0	0	0
Rochford	11	(1)	0	(1)	0	0
Saffron Walden	21	0	1	(1)	0	0
Shoeburyness	10	(2)	0	(2)	0	0
Sible Hedingham	11	2	5	(2)	0	(1)
Sth Woodham Ferrers	4	4	4	0	0	0
Stansted	15	(1)	2	(3)	0	0
Thaxted	7	0	0	0	0	0
Tillingham	10	0	0	0	0	0
Tiptree	12	(1)	0	(1)	0	0
Tollesbury	10	(1)	0	(1)	0	0
Weeley	15	0	0	0	0	0
West Mersea	14	2	3	(2)	0	0
Wethersfield	11	1	1	0	0	0
Wickford	14	1	0	0	0	0
Witham	21	(1)	0	(1)	0	0
Wivenhoe	12	(1)	1	(2)	0	0
Grand Total	506	24	55	(33)	2	(2)

Appendix 3

SUPPORT STAFF & TEMP/AGENCY NUMBERS

Support Staff and Agency/Temps Analysis

Revised - June 2017

Actual Support Staff and Agency Temps

30 September 2017

Staff Changes by Department	Director	Total FTE Budget - Support Staff Revised June 2017	Actual Support Staff and Agency Temps as at 30 September 2017			
			Current Support Staff (as per HR Report)	Temps/ Agency Staff	Total FTE for Support Staff	Current Support Staff FTE Below / (Above) Original Budget
Service Leadership Team	Adam Eckley	5.8	5.8	0.3	6.1	(0.3)
Corporate Comms	Adam Eckley	5.0	5.0	0.0	5.0	0.0
Emergency Planning (ECC)	Adam Eckley	10.8	7.8	0.0	7.8	3.0
Project 2020	Adam Eckley	12.0	11.9	1.0	12.9	(0.9)
Total Adam Eckley		33.6	30.5	1.3	31.8	1.8
Safer Communities Admin (8300)	Dave Bill	19.7	10.3	4.0	14.3	5.4
Operations & Control	Dave Bill	4.6	4.6	0.0	4.6	0.0
Community Safety	Dave Bill	27.6	27.6	0.0	27.6	0.0
Workplace Fire Safety	Dave Bill	10.6	14.9	1.0	15.9	(5.3)
Health & Safety	Dave Bill	4.0	4.0	0.0	4.0	0.0
Total Dave Bill		66.5	51.1	5.0	52.1	0.2
Performance & Data Management	Mark Stagg	10.8	8.7	0.0	8.7	2.1
Training	Mark Stagg	14.9	14.7	1.0	15.7	(0.8)
Human Resources	Mark Stagg	29.7	30.6	0.6	31.2	(1.5)
Total Mark Stagg		55.4	54.0	1.6	55.6	(0.2)
Fleet & Equipment	Mike Clayton	42.3	42.3	0.0	42.3	0.0
Finance & Pay	Mike Clayton	13.0	14.8	0.0	14.8	(1.8)
Purchase & Supply,(9401,9404)	Mike Clayton	13.9	12.8	3.0	15.8	(1.9)
Property & Water Services	Mike Clayton	26.2	17.2	8.0	25.2	1.0
Information Communications Technology	Mike Clayton	28.1	21.1	3.0	24.1	4.0
Other Dept (9208,9209) & Seconded Posts	Mike Clayton	6.5	7.5	0.0	7.5	(1.0)
Total Mike Clayton		130.0	115.7	14.0	129.7	0.3
Total		285.5	261.5	21.9	283.4	2.1

Total Support Staff FTE requested by Budget Holders	285.5			283.4
SLT 2017-18 Budget Target FTE for Support Staff	285.5			285.5
Total FTE above/below SLT Budget Target of 285.5	0.0			2.1
Percentage Budget Holders Total Support Staff FTE above the SLT Budget Target	0.0%			0.0%

Total Support Staff and Agency Temps including Community Safety staff funded by designated fund/budget

Depts.- Manual Adjustment applied to Support Staff FTE and Temp/Agency staff	FTE from Additional Budget Funding £400K	Current Support Staff (as per HR Report)	Temps/Agency Staff	Total FTE for Support Staff	Current Support Staff FTE Below / (Above) Original Budget
Community Safety	10.0	7.7	3.0	10.7	(0.7)
Total	295.5	269.2	24.9	294.1	1.4

Note:-

1. In addition to headcount target above :

- £400K Community Safety - Business as Usual Budgeted FTE counted for Analysis is a max 27.6
- £360K secondary contracts