



Meeting	Essex Fire Performance & Resources Board	Agenda Item	
Meeting Date	29 th January 2018	Report Number	
Report Author:	Jayesh Padania, Finance Manager		
Presented By	Glenn McGuinness, Assistant Director of Finance		
Subject	Budget Review – December 2017		
Type of Report:	Information		

SUMMARY

This paper reports on expenditure against budget as at 31 December 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 31 December 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 31 December 2017.

BACKGROUND

This table below shows actual expenditure against budget to 31 December 2017.

Description	YTD Actual £'000s	YTD Budget £'000s	Variance YTD £'000s	Variance YTD %	YTD Commitments £'000s
Firefighters	21,760	21,765	(6)	0%	-
On Call Firefighters	3,873	4,241	(368)	-9%	-
Control	1,010	1,037	(27)	-3%	-
Support Staff	10,520	10,151	368	4%	17
Total Employment Costs	37,163	37,195	(32)	0%	17
Support Costs	1,317	1,375	(58)	-4%	101
Premises & Equipment	7,360	7,855	(495)	-6%	1,217
Other Costs & Services	2,657	2,807	(150)	-5%	830
Ill health pension costs	1,678	1,621	57	4%	-
Financing Items	1,109	1,164	(55)	-5%	19
Operational income	(3,183)	(2,836)	(347)	12%	(0)
Contribution to/(from) Reserves	50	50	-	0%	-
Total Other Costs	10,989	12,036	(1,047)	-9%	2,168
Total Budget	48,152	49,231	(1,080)	-2%	2,185
Total Funding	(53,962)	(53,891)	(71)	0%	-
Funding Gap / (Surplus)	(5,810)	(4,659)	(1,150)	25%	2,185

More detailed figures are provided at appendix 1

STAFFING

Overall employment costs are **£32K (0.1%) under budget for the 9 months to 31 December 2017.**

Spend for whole time fire-fighters is £6K (0.0%) under budget:-

- £327k underspend (2.0%) on Firefighter basic pay,
- £ 27k underspend on salary related costs
- £348K overspend on overtime.
 - Overspend on overtime due to Additional Shift Working.
 - Additional Shift Working is budgeted with Firefighter pay at 13 FTE at a cost of £496,410 (made up of pay £449,083 plus salary on-costs of £47,327).
 - For period to December, ASW resource of 40.5 FTE was utilised resulting in a year to 31 December (based on Payroll Data) the pay cost of £577,129 (pay of £522,289 plus salary on costs of £54,840).
 - A separate analysis has been produced to review the cost incurred and impact on the annual budget for the remaining year

For on-call firefighters, spend is £368K (8.7%) under budget:-

- £92K underspend relates to actual average headcount at 495.7 has been consistently below budget at 519 this year
- £276K due to activity levels being lower than budget

For Control staff, spend is £ 27K (2.6%) under budget:-

- £ 7K underspend on Control Staff Pay
- £25K underspend on Control Staff Overtime
- £ 5K overspend on Control staff pay on-costs
 - Overspend for on-costs relates to NIC's contributions for Resilience pay for those who opted for the single payment in December
 - Overspend for pensions is due to staff pension take up being higher than budgeted for year and prior year take up rate

Support staff pay is £368K (3.6%) over budget for the 9 month to 31 December.

This is comprised of:-

- An overspend of £48K on Secondary Contract Staff
 - £42K adverse variance for Training Dept., £37K of this is offset by income from EFAT for Training Dept.
 - £22K adverse variance for Control. This relates to S King who is working on the Systems for Control.
 - £ 5K favourable variance for Operations
 - £11K favourable variance for Community Safety
- The overspend of £320K for Support Staff (Excl. Secondary Contracts) is made up of:-
 - £192K for Casual and Temporary Staff and
 - £128K on directly employed staff
 - Average actual Support Staff FTE to date is 296.6, which is 1.1 above budget resulting in an adverse variance of £32K
 - The actual average pay rate per employee is £971pa higher than budgeted leading to an adverse variance of £288K

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

Whole-time fire-fighter numbers at 600.0 are 13.0 (2.1%) below phased budget at the end of December.

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

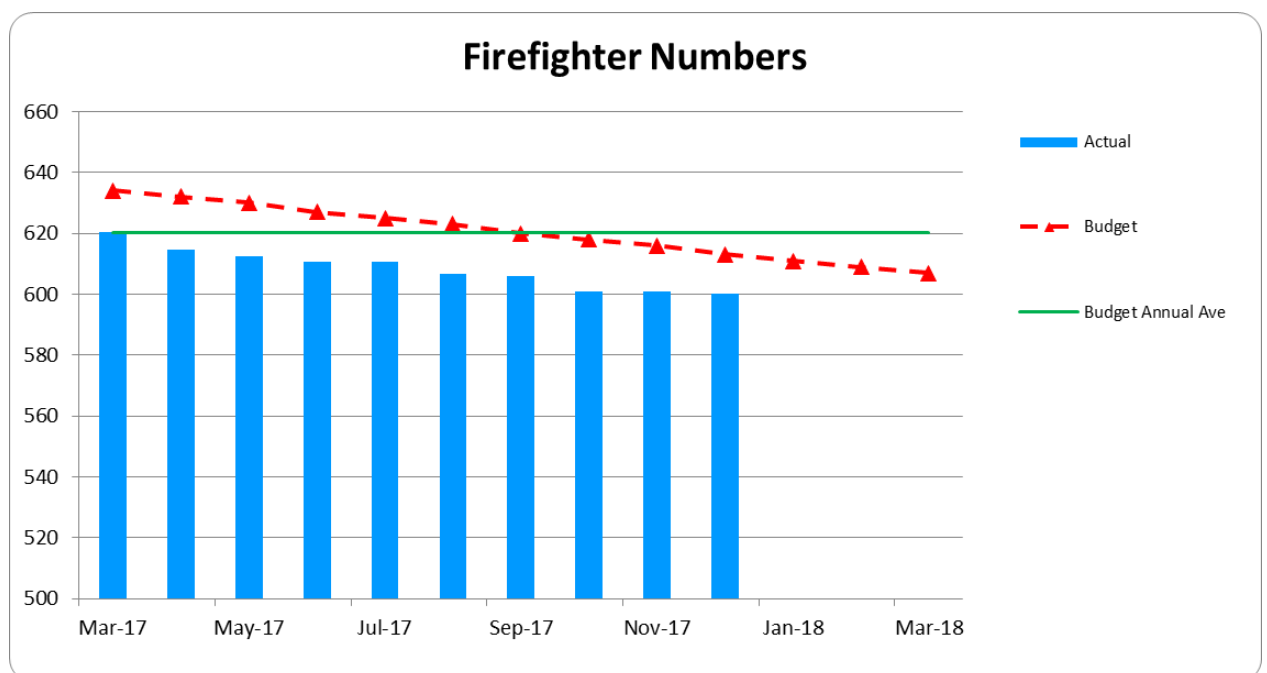
31 Dec 2017	Actual	Phased Budget	Variance	
Wholetime Firefighters - FTE (Excl. ASW)	600.0	613.0	-13.0	-2%
On-Call Firefighters - Headcount	508.0	519.0	-11.0	-2%
Control - FTE	32.3	33.0	-0.7	-2%
Support Staff :-				
Support Staff (Incl Temps) - FTE	290.5	285.5	5.0	2%
Additional Community Safety Budget Funding £400K	12.3	10.0	2.3	23%
Total Support Staff - FTE	302.8	295.5	7.3	2%
Total	1,443.1	1,460.5	-17.4	-1%

The figures in the table above show on-call fire-fighters on a headcount basis. On a full time equivalent basis there are 406.8 fire-fighters.

As at the end of December the number of whole-time fire-fighters aged over 50 with more than 25 years' service was 67.

Of the 67 there are 15 who have more than 30 years' service.

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)
30/11/2017	524	500	476	465.0	<u>35.7</u>	0.0
31/12/2017	524	500	476	464.0	<u>0.9</u>	0.0

Further Additional Shift Working has been budgeted for January to March 2018.

Recruitment process for new Firefighters has started with the first cohort expected to be in training from January 2018, this will help increase the total whole-time and rider numbers.

ON-CALL FIREFIGHTERS

Appendix 2 -On Call Firefighter nos. by Station

The table shows that we have a headcount of 508 firefighters at 31 December 2017 a net increase of 26.0 from the 482.0 at 1 April 2017. In December there was a net decrease of 1 On-Call Firefighters, 2 new joiners and 3 leavers.

NON-PAY RELATED EXPENDITURE

Non-pay expenditure is £700K underspent for the 9 month to 31 December; in addition operational income is £347K more than budget.

Support Costs are £58K (4.2%), underspent for the 9 months to 31 December 2017

Support Costs sub section	Over/Under spent	£000's	%
Training	Underspent	(£12)	(2.7%)
Employee Support Costs	Overspent	£53	10.5%
Travel & Subsistence	Underspent	(£100)	(23.3%)

- The overspend on Employee Support Costs includes an increase in provision for excess stocks of staff uniform.
- The underspend on Travel and Subsistence relate to operational actively levels for standby duties and training subsistence allowances being lower than budgeted.

Premises & Equipment are £495K (6.3%), underspent for the 9 months to 31 December 2017

Premises & Equipment sub section	Over/Under spent	£000's	%
Property Maintenance	Underspent	(£2)	(0.1%)
Utilities	Underspent	(£22)	(4.9%)
Rent & Rates	Overspent	£17	1.6%
Equipment & Supplies	Underspent	(£97)	(8.8%)
Communications	Overspent	£45	4.3%
Information Systems	Underspent	(£493)	(26.1%)
Transport	Overspent	£57	8.1%

- Transport overspend of £57K
 - relates to £111K spend on Vehicle maintenance contract with Babcock Critical Services Ltd, this is offset in Funding under Govt. Grants Income with £95K received to date
 - also there is an underspend of £54K on Vehicles Spares and Collision Damage spend to date against budget
- Information Systems Underspend of £493K
 - relates to IT Consumables underspend of £501K to date against budget
- Equipment and Supplies underspend of £97K
 - Underspend to date on Operational Equipment support of £41K and Operational Equipment initial Purchase £53K
 - There is an overspend of £36K on Personal Protective Equipment. There is likely to further pressure on this due to the whole-time recruitments starting in January 2018

Other Costs & Services are £150K (5.3%), underspent for the 9 months to 31 December 2017

Other Costs & Services sub section	Over/Under spent	£000's	%
Establishment Expenses	Overspent	£13	1.6%
Risk Protection	Overspent	£25	5.9%
Professional Fees & Services	Underspent	(£193)	(14.5%)
Democratic Representation	Underspent	(£)	(0.3%)
Agency Services	Overspent	£6	5.2%

- Professional Fees and Services underspend of £193K
 - Underspend of £116K on Consultancy Fees and
 - Underspend of £69K on Other Local Authority Services

FORECAST

The Forecast outturn for 2017-18 is shown in the table 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	13,582	373
Total Employment Costs	49,526	49,668	142
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	5,349	(811)
Operational income	(3,781)	(4,127)	(346)
Contribution to/(from) Reserves	(73)	(73)	-
Total Other Costs	20,602	19,153	(1,449)
Total Budget	70,128	68,821	(1,307)
Total Funding	(70,128)	(69,913)	215
Funding Gap / (Surplus)	0	(1,092)	(1,092)

This shows the overall forecast spend is slightly lower than budget.

The Forecast includes an overspend on Support Staff of £373K. 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 projects.

The Financing Items Forecast has been updated to show the reduction in the MRP charge of £789K in line with the Capital Expenditure forecast spend for 2017-18 predicted to be down to £5.2m from the original budget of £11.9m. The reduction in Capital Expenditure budget spend for 2017-18 is being rescheduled for future years.

CAPITAL EXPENDITURE

Capital expenditure to 31 December 2017 is shown in the table below.

Total capital expenditure is £4.5m, the largest item included is £2.2m for new appliances. The figure also includes £0.4m for asset protection and service workshops.

The investment of £587K in information technology relates to £273K for the MIS system for Community Safety and Fleet Workshops; £92K for Programme 2020 WiFi replacement; £196k for HOBS and Finance Scanning Solutions and £27k on Log Rhythm replacement.

	Original Budget 2017/18 £'000s	Approved Changes £'000s	Revised Budget £'000s	Total Spend including Commitments to end of December 2017 £'000s	Forecast 2017/18 £'000s
Property					
New Premises					
Service Headquarters	-	-	-	-	-
Service Workshops	3,500	-	3,500	159	500
Other	-	-	-	95	-
Existing Premises	-	-	-	-	-
Solar Panels	-	-	-	34	-
Asset Protection	2,500	-	2,500	425	1,900
Asset Improvement Works	-	-	-	14	15
Total Property	6,000	-	6,000	728	2,415
Equipment	605	21	626	42	42
Information Technology					
Projects > £250k	-	-	-	31	-
Projects < £250k	2,400	-	2,400	557	554
Total Information Technology	2,400	-	2,400	587	554
Vehicles					
New Appliances	2,060	-	2,060	2,225	2,060
Other Vehicles	825	-	825	912	170
Total Vehicles	2,885	-	2,885	3,137	2,230
Total Capital Expenditure	11,890	21	11,911	4,495	5,241

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
- Support staff FTE (incl. Agency Temps) is being discussed with the budget holders and will continue to be monitored
- With the start of the recruitment on new whole-time Firefighters from January 2018, there is likely to be an increase in the budgets for:-
 - Whole-time Firefighter pay
 - Training
 - Recruitment costs

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 – December 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 – December 2017

Description	YTD Actual £'000s	YTD Budget £'000s	Variance YTD £'000s	Variance YTD %	YTD Commitments £'000s
Firefighters	21,760	21,765	(6)	0.0%	-
On-Call Fire-Fighters	3,873	4,241	(368)	-8.7%	-
Control	1,010	1,037	(27)	-2.6%	-
Support Staff	10,520	10,151	368	3.6%	17
Total Employment Costs	37,163	37,195	(32)	-0.1%	17
Training	428	440	(12)	-2.7%	58
Employee Support Costs	560	507	53	10.5%	41
Travel & Subsistence	328	427	(100)	-23.3%	2
Support Costs	1,317	1,375	(58)	-4.2%	101
Property Maintenance	1,617	1,619	(2)	-0.1%	503
Utilities	421	443	(22)	-4.9%	1
Rent & Rates	1,053	1,036	17	1.6%	32
Equipment & Supplies	1,009	1,106	(97)	-8.8%	33
Communications	1,101	1,056	45	4.3%	482
Information Systems	1,400	1,893	(493)	-26.1%	163
Transport	759	702	57	8.1%	3
Premises & Equipment	7,360	7,855	(495)	-6.3%	1,217
Establishment Expenses	842	828	13	1.6%	56
Risk Protection	453	427	25	5.9%	543
Professional Fees & Services	1,136	1,330	(193)	-14.5%	232
Democratic Representation	108	109	(0)	-0.3%	-
Agency Services	118	113	6	5.2%	-
Other Costs & Services	2,657	2,807	(150)	-5.3%	830
III Health Pension costs	-	-	-	0.0%	-
Lease & Interest Charges	1,109	1,164	(55)	-4.7%	19
Depreciation	-	-	-	0.0%	-
Asset management revenue account	-	-	-	0.0%	-
Statutory Provision for Capital Financing	-	-	-	0.0%	-
Voluntary Provision for Capital Financing	-	-	-	0.0%	-
Financing Items	1,109	1,164	(55)	-4.7%	19
Operational income	(3,183)	(2,836)	(347)	12.2%	(0)
Contributions to/ (from) General Balances	50	50	-	0.0%	-
Total Net Financing Requirement	46,473	47,610	(1,137)	-2.4%	2,185
Revenue Support Grant	(9,027)	(9,027)	-	0.0%	-
National Non-Domestic Rates	(12,103)	(11,873)	(231)	0.0%	-
Council Tax Collection Account	(663)	(663)	-	0.0%	-
Council Tax	(32,169)	(32,329)	160	0.0%	-
Total Funding	(53,962)	(53,891)	(71)	0.0%	-

Appendix 2

ON CALL FIREFIGHTER HEADCOUNT NUMBERS

Station	Actual For End of Dec 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	13	0	1	(1)	0	0
Braintree	19	(2)	0	(2)	0	0
Brentwood	13	(2)	1	(4)	1	0
Brightlingsea	11	(1)	0	(1)	0	0
Burnham	11	0	0	0	0	0
Canvey Island	18	1	1	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	15	3	4	(1)	0	0
Dunmow	18	1	2	(1)	0	0
Epping	13	(1)	0	(1)	0	0
Frinton	14	(1)	0	(1)	0	0
Halstead	19	(1)	4	(6)	1	0
Hawkwell	15	1	1	0	0	0
Ingatestone	9	(2)	1	(2)	0	(1)
Leaden Roding	7	0	0	0	0	0
Maldon	19	(2)	0	(2)	0	0
Manningtree	15	1	1	0	0	0
Newport	9	(1)	1	(1)	0	(1)
Old Harlow	13	1	2	(1)	0	0
Ongar	9	2	2	0	0	0
Rochford	11	(1)	0	(1)	0	0
Saffron Walden	22	1	1	(1)	1	0
Shoeburyness	9	(3)	0	(3)	0	0
Sible Hedingham	11	2	5	(2)	0	(1)
Sth Woodham Ferrers	5	5	5	0	0	0
Stansted	16	0	3	(3)	0	0
Thaxted	9	2	2	0	0	0
Tillingham	10	0	0	0	0	0
Tiptree	12	(1)	0	(1)	0	0
Tollesbury	10	(1)	0	(1)	0	0
Waltham Abbey	4	4	3	0	0	0
Weeley	15	0	0	0	0	0
West Mersea	15	3	4	(2)	0	0
Wethersfield	11	1	1	0	0	0
Wickford	13	0	0	0	0	0
Witham	20	(2)	0	(2)	0	0
Wivenhoe	12	(1)	1	(2)	0	0
Grand Total	508	26	67	(43)	3	(3)

Appendix 3

SUPPORT STAFF & TEMP/AGENCY NUMBERS

Support Staff and Agency/Temps Analysis

Revised - June 2017

Actual Support Staff and Agency Temps

31 December 2017

Staff Changes by Department	Director	Total FTE Budget - Support Staff Revised June 2017	Actual Support Staff and Agency Temps as at 31 December 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	0.0	5.8	0.0
Corporate Comms	Adam Eckley	5.0	6.0	0.0	6.0	(1.0)
Emergency Planning (ECC)	Adam Eckley	10.8	8.8	0.0	8.8	2.0
Project 2020	Adam Eckley	12.0	11.9	1.0	12.9	(0.9)
Total Adam Eckley		33.6	32.5	1.0	33.5	0.1
Safer Communities Admin (8300)	Dave Bill	19.7	9.3	3.0	12.3	7.4
Operations & Control	Dave Bill	4.6	4.6	1.0	5.6	(1.0)
Community Safety	Dave Bill	27.6	27.6	0.0	27.6	0.0
Workplace Fire Safety	Dave Bill	10.6	15.9	1.0	16.9	(6.3)
Health & Safety	Dave Bill	4.0	4.0	0.0	4.0	0.0
Total Dave Bill		66.5	52.1	5.0	54.1	0.2
Performance & Data Management	Mark Stagg	10.8	9.7	0.0	9.7	1.1
Training	Mark Stagg	14.9	15.7	1.0	16.7	(1.8)
Human Resources	Mark Stagg	29.7	31.6	0.6	32.2	(2.5)
Total Mark Stagg		55.4	57.0	1.6	58.6	(3.2)
Fleet & Equipment	Mike Clayton	42.3	41.3	0.0	41.3	1.0
Finance & Pay	Mike Clayton	13.0	13.8	0.0	13.8	(0.8)
Purchase & Supply,(9401,9404)	Mike Clayton	13.9	12.8	3.0	15.8	(1.9)
Property & Water Services	Mike Clayton	26.2	18.6	6.0	24.6	1.6
Information Communications Technology	Mike Clayton	28.1	25.1	4.0	29.1	(1.0)
Other Dept (9208,9209) & Seconded Posts	Mike Clayton	6.5	7.5	0.0	7.5	(1.0)
Total Mike Clayton		130.0	119.1	13.0	132.1	(2.1)
Total		285.5	269.9	20.6	290.5	(5.0)

Total Support Staff FTE requested by Budget Holders	285.5				290.5
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				5.0
Percentage Budget Holders Total Support Staff FTE above the SLT Budget Target	0.0%				-1.7%

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	8.3	4.0	12.3	(2.3)
Total	295.5	278.2	24.6	302.8	(7.3)

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