



Meeting	Performance & Resources Board	Agenda Item	
Meeting Date		Report Number	
Report Author:	Jayesh Padania, Finance Manager		
Presented By	Glenn McGuinness, Assistant Director of Finance		
Subject	Budget Review – June 2019		
Type of Report:	Information		

SUMMARY

This paper reports on expenditure against budget as at 30th June 2019 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

The Performance and Resources Board is asked to:

1. Note the position on the income and expenditure at 30th June 2019 compared to the budget.
2. Note the Capital Expenditure spend against budget for period to 30th June 2019 .

BACKGROUND

This table below shows actual expenditure against budget to 30th June 2019.

Description	YTD Actual £'000s	YTD Budget £'000s	Variance YTD £'000s	% Variance YTD
Firefighters	8,311	8,498	(188)	-2%
On Call Firefighters	1,291	1,372	(81)	-6%
Control	338	365	(27)	-7%
Support Staff	3,318	3,368	(50)	-1%
Total Employment Costs	13,257	13,604	(347)	-3%
Support Costs	613	549	64	12%
Premises & Equipment	2,448	2,616	(168)	-6%
Other Costs & Services	673	842	(169)	-20%
Ill health pension costs	661	675	(14)	-2%
Financing Items	325	348	(24)	-7%
Inflation Provision	-	-	-	0%
Total Other Costs	4,719	5,030	(311)	-6%
Gross Expenditure	17,976	18,634	(658)	-4%
Operational income	(1,934)	(1,804)	(130)	7%
Net Expenditure	16,042	16,830	(787)	-5%
Funding				
Revenue Support Grant	(3,789)	(3,789)	-	0%
National Non-Domestic Rates	(4,145)	(4,136)	(9)	0%
Council Tax Collection Account	(150)	(150)	-	0%
Council Tax	(10,352)	(10,357)	5	0%
Cont'ns to/(from) General Bals	-	-	-	0%
Total Funding	(18,437)	(18,433)	(4)	0%
Funding Gap / (Surplus)	(2,394)	(1,603)	(791)	49%

More detailed figures are provided at appendix 1

STAFFING

Overall employment costs are £347K (2.5%) under budget for the 3 months to 30th June 2019.

Spend for whole time fire-fighters is £188K (2.2%) under budget:-

- Basic Pay is overspent as a result of the unbudgeted part settlement payments for the Day Crew (for pay protection and compensation in lieu of the conversation to On-Call agreement)
- Total ASW spend for financial year to end of June 2019 = £138K

For On-Call firefighters, spend is £81K (5.9%) under budget

For Control staff, spend is £27K (7.5%) under budget:-

- £15K underspend on Control Staff Pay
- £ 5K underspend on Control Staff Overtime
- £ 7K underspend on Control staff pay on-costs

Support staff pay is £50K (1.5%) under budget for the 3 months to 30th June 2019.

- £39K underspend for Support Staff On-Costs

Appendix 3 – Table Summary of Support Staff FTE numbers

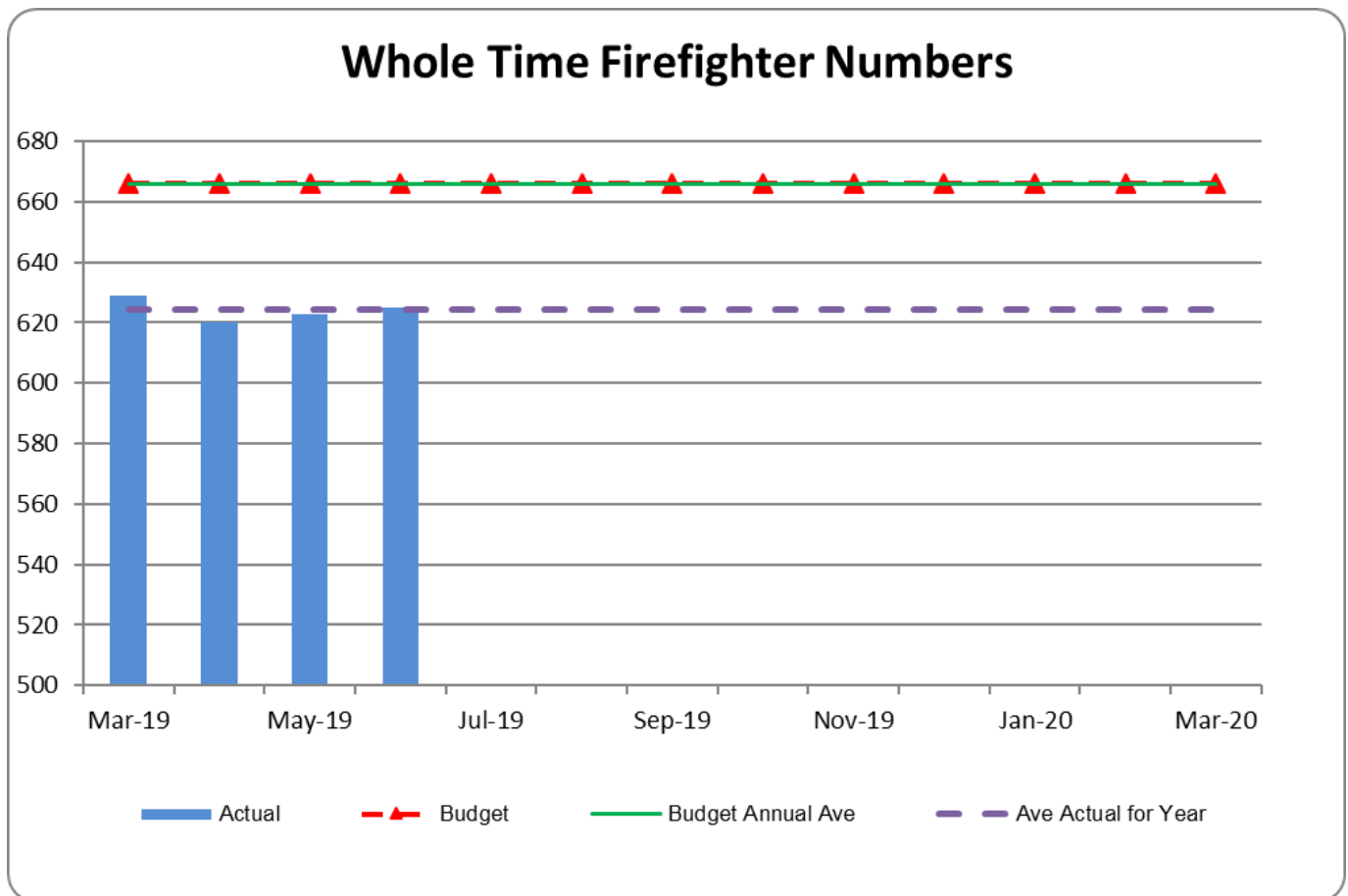
Whole-time fire-fighter numbers at 625.0 are 41.0 (6.2%) below phased budget at the end of June.

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

30 Jun 2019	Actual	Phased Budget	Variance	
Wholetime Firefighters - FTE (Excl. ASW)	625.0	666.0	-41.0	-6%
On-Call Firefighters - FTE	401.50	453.75	-52.25	-12%
Control - FTE	33.3	33.5	-0.2	-1%
Support Staff :-	295.6	296.4	-0.8	0%
Total	1,355.4	1,449.7	-94.3	-7%

As at the end of June the number of whole-time fire-fighters aged over 50 with more than 25 years' service was 81, of these 13 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.

Rider Numbers for June 2019	Budgeted Rider Resource	Optimum Rider Resilience Level	Critical Minimum Rider Requirement	Actual Riders	Additional Shift Working (FTE) Based on Payroll + CRT Data
Riders (Excl Day Crew + Clacton Additional Cover)	480	456	432	453	9.3
Clacton	2	2	2	2	0
Rider numbers (excl Day Crew)	482	458	434	455	9.3
Day Crew	32	32	32	38	0
Total Firefighters (Exl Career Breaks)	514	490	466	493	9.3

ON-CALL FIREFIGHTERS

Appendix 2 -On Call Firefighter nos. by Station

The table (top of page 4) shows that the total FTE at 30th June 2019 was 401.50, a net increase of 4.00 FTE from 1st April 2019.

NON-PAY RELATED EXPENDITURE

Non-pay expenditure is £658K underspent for the 3 months to 30th June; in addition operational income is £130K more than budget (as shown in Appendix 4).

Support Costs are £ 64K (11.7%), overspent for the 3 months to 30th June 2019

Support Costs sub section	Over/Under spent	£000's	%
Training	Overspent	£52	28.5%
Employee Support Costs	Overspent	£32	17.0%
Travel & Subsistence	Underspent	(£20)	(11.2%)

- £52K overspend on Training
 - £ 34K overspend for External Training – K&D Panel
 - £ 39K for overspend Operational Training Contacts
 - £ 21K for the underspend of Leadership Development
 - To date there has been no virement request received to use the earmarked reserves for Training
- £32K overspend on Employee Support Costs related to:-
 - £11K overspend for Fitness Equipment costs included in 2018-19 Budget and received in April 2019
 - £33K overspend for Occupational Health, which is being reviewed with the Budget Holder
 - £19K overspend for Redundancy costs
 - £31K underspend on Clothing & Footwear and Laundry
- £20K underspend on Travel and Subsistence
 - £10K underspend on mileage

Premises & Equipment are £168K (6.2%), underspent for the 3 months to 30th June 2019

Premises & Equipment sub section	Over/Under spent	£000's	%
Property Maintenance	Underspent	(£6)	(1.2%)
Utilities	Underspent	(£23)	(15.4%)
Rent & Rates	Overspent	£3	0.7%
Equipment & Supplies	Overspent	£16	3.9%
Communications	Underspent	(£4)	(1.1%)
Information Systems	Underspent	(£132)	(24.8%)
Transport	Underspent	(£20)	(8.3%)

- £132K underspend on Information Systems
 - £97K underspend on IT Consumables relating to ICT project against budget to date
 - £34K underspend on IT Maintenance and Contracts

Other Costs & Services are £169K (20.1%), underspent for the 3 months to 30th June 2019

Other Costs & Services sub section	Over/Under spent	£000's	%
Establishment Expenses	Underspent	(£45)	(17.2%)
Risk Protection	Underspent	(£25)	(15.9%)
Professional Fees & Services	Underspent	(£76)	(22.1%)
Democratic Representation	Overspent	£18	49.0%
Agency Services	Underspent	(£41)	(94.4%)

- Professional Fees & Services underspend of £76K
 - £36K underspend on Legal Fees
 - £51K underspend on Other Local Authority Services
 - £11K overspend on Consultancy Fees
 - Overspend relates to budget phasing for HR consultancy

- Establishment Expenses underspend of £25K
 - £15K on Media Expenses
 - £ 7K on Community Safety and Home Safety

CAPITAL EXPENDITURE

Capital expenditure for the 3 months to 30th June 2019 is shown in the table below.

Total capital expenditure and commitments is £0.9m.

The largest item included is £0.6m for asset protection.

- £214K invoices received
- £389K commitments from various PO's raised to date for anticipated spend throughout the year

Vehicle £200K:-

- £164K invoices paid and commitments related to Off Road Vehicles

	Original Budget 2019/20 £'000s	Approved Changes £'000s	Revised Budget £'000s	Total Spend including Commitments to end of June 2019 £'000s
Property				
New Premises				
Service Workshops	100	-	100	-
Existing Premises	-	-	-	-
Asset Protection	2,000	-	2,000	603
Asset Improvement Works	500	-	500	-
Total Property	2,600	-	2,600	603
Equipment	360	25	385	80
Information Technology				
Projects	1,425	-	1,425	7
Total Information Technology	1,425	-	1,425	7
Vehicles				
New Appliances	-	-	-	-
Other Vehicles	940	540	1,480	200
Total Vehicles	940	540	1,480	200
Total Capital Expenditure	5,325	565	5,890	890

VIREMENTS

- £3,517K Full Year virement reflecting the Additional Pension costs for Grey Book staff, which is offset by a Government Grant.
 - The Government Grant covers 88% of the total estimated additional pension costs £3,817K
 - £300K to be funded by the service and has been included in the 2019-20 Budget
- £34K Full Year virement for Driver Trainers moving to a Fixed Term Contract from Secondary Contract Staff

BENEFITS AND RISK/ FINANCIAL 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.

EQUALITY AND DIVERSITY IMPLICATIONS

There are no direct Equality or Diversity implications within this report

LEGAL IMPLICATIONS

There are no direct legal implications within this report.

HEALTH & SAFETY IMPLICATIONS

There are no direct Health and Safety implications within this report.

ACTIONS / NEXT STEPS

1. Working with Budget Holders on preparing a Q1 Forecast

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 – June 2019 Appendix 2 On Call Firefighter Headcount Numbers Appendix 3 Support Staff and Agency/Temp numbers	
Proper Officer:	Acting Finance Director to PFCC Fire & Rescue Authority
Contact Officer:	Glenn McGuinness Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576186 glenn.mcguinness@essex-fire.gov.uk

Appendix 1
MANAGEMENT ACCOUNTS – June 2019

Description	YTD Actual £'000s	YTD Budget £'000s	Variance YTD £'000s	% Variance YTD	Current Full Year Budget £'000s
Firefighters	8,311	8,498	(188)	-2%	34,251
On-Call Fire-Fighters	1,291	1,372	(81)	-6%	6,692
Control	338	365	(27)	-7%	1,438
Support Staff	3,318	3,368	(50)	-1%	13,950
Total Employment Costs	13,257	13,604	(347)	-3%	56,331
Training	234	183	52	28%	730
Employee Support Costs	221	189	32	17%	756
Travel & Subsistence	158	178	(20)	-11%	710
Support Costs	613	549	64	12%	2,196
Property Maintenance	515	521	(6)	-1%	2,083
Utilities	129	152	(23)	-15%	608
Rent & Rates	393	390	3	1%	1,560
Equipment & Supplies	413	398	16	4%	1,590
Communications	373	377	(4)	-1%	1,510
Information Systems	400	533	(132)	-25%	2,130
Transport	225	246	(20)	-8%	983
Premises & Equipment	2,448	2,616	(168)	-6%	10,464
Establishment Expenses	216	261	(45)	-17%	1,043
Risk Protection	133	158	(25)	-16%	633
Professional Fees & Services	267	343	(76)	-22%	1,372
Democratic Representation	54	36	18	49%	145
Agency Services	2	44	(41)	-94%	175
Other Costs & Services	673	842	(169)	-20%	3,367
Ill Health Pension costs	661	675	(14)	-2%	2,250
Lease & Interest Charges	325	348	(24)	-7%	1,393
Statutory Provision for Capital Financing	-	-	-	0%	5,100
Inflation Provision	-	-	-	0%	-
Financing Items	325	348	(24)	-7%	6,493
Gross Expenditure	325	348	(24)	-7%	11,593
Total Operational income	(1,934)	(1,804)	(130)	7%	(7,305)
Net Expenditure	16,042	16,830	(787)	-5%	73,797
Revenue Support Grant	(3,789)	(3,789)	-	0%	(8,337)
National Non-Domestic Rates	(4,145)	(4,136)	(9)	0%	(16,196)
Council Tax Collection Account	(150)	(150)	-	0%	(643)
Council Tax	(10,352)	(10,357)	5	0%	(46,233)
Contribns to/from Gen Balances	-	-	-	0%	(2,388)
Total Funding	(18,437)	(18,433)	(4)	0%	(73,797)
Funding Gap/(Surplus)	(2,394)	(1,603)	(791)	0%	-

Appendix 2

ON CALL FIREFIGHTER HEADCOUNT NUMBERS

Station	Appliances Pumps	Other / Special Vehicles	Actual FTE for End of Jun 2019	Movement (FTE) since 01 Apr 2019	Actual Headcount for End of Jun 2019	Movement (Headcount) since 01 Apr 2019	Joiners (Headcount) since 01 Apr 2019	Leavers (Headcount) since 01 Apr 2019
Billericay	1	1	9.25	(0.75)	13	0	1	(1)
Braintree	2	1	17.50	2.75	22	4	4	0
Brentwood	2	0	6.00	(0.75)	8	(1)	0	(1)
Brightlingsea	1	0	10.25	(0.75)	13	0	0	0
Burnham	1	0	9.00	0.50	11	0	0	0
Canvey Island	2	0	12.00	(0.25)	16	0	2	(2)
Clacton	2	0	15.00	0.25	19	0	0	0
Coggeshall	1	1	8.50	0.00	11	0	0	0
Corringham	1	1	9.25	(0.25)	12	0	0	0
Dovercourt	2	1	12.75	1.75	16	2	3	(1)
Dunmow	2	0	12.50	0.00	16	0	1	(1)
Epping	1	0	10.00	(0.50)	13	0	0	0
Frinton	1	2	12.00	0.00	15	0	0	0
Great Baddow	1	0	3.75	(0.50)	5	0	0	0
Halstead	2	1	13.00	0.25	17	0	1	(1)
Hawkeell	1	0	12.00	1.25	15	1	1	0
Ingatestone	1	0	6.25	(0.25)	8	0	0	0
Leaden Roding	1	0	6.75	(0.50)	8	0	0	0
Maldon	2	1	16.50	1.00	20	2	2	0
Manningtree	1	1	12.25	0.00	16	0	0	0
Newport	1	2	8.50	0.75	11	1	1	0
Old Harlow	1	0	7.75	(0.75)	10	(1)	0	(1)
Ongar	1	0	7.50	0.50	10	1	1	0
Rochford	1	0	8.50	0.00	11	0	0	0
Saffron Walden	2	0	17.75	0.00	22	0	0	0
Shoeburyness	1	0	11.25	0.50	15	1	1	0
Sible Hedingham	1	0	8.50	(1.00)	11	(1)	0	(1)
South Woodham Ferrers	1	2	3.25	1.00	4	1	1	0
Stansted	1	2	11.50	0.00	15	0	0	0
Thaxted	1	0	8.50	0.00	11	0	0	0
Tillingham	1	0	8.25	0.25	10	1	2	(1)
Tiptree	1	0	10.75	(0.25)	14	0	0	0
Tollesbury	1	0	9.50	1.25	11	1	1	0
Waltham Abbey	1	1	6.75	0.00	9	0	0	0
Weeley	1	0	11.00	(0.25)	13	0	1	(1)
West Mersea	1	1	8.00	(1.50)	10	(2)	0	(1)
Wethersfield	1	0	8.25	(0.75)	10	(1)	1	(2)
Wickford	1	0	7.75	0.00	9	0	0	0
Witham	2	0	14.50	1.00	18	1	1	0
Wivenhoe	1	0	9.25	0.00	12	0	0	0
Grand Total	50	18	401.50	4.00	510	10	25	(14)

FTE for Support Staff (Incl. Temps) for June 2019 against Budget

Cost Centre / Department	Director	Budgeted FTE	Employed	Agency Temp	Total Actual FTE for June 2019 <small>(incl. Agency Temps)</small>	Below/ Above Budgeted FTE	Adjustment for Maternity, Long Term Sickness (LTS) and Project <small>(Project FTE resourced within Dept & not in P2020)</small>		Adjusted FTE Below/Above Budgeted	Notes and Comments
							Maternity	LTS Projects		
Service Leadership Team	Chief Fire Officer / CEO	8.0	8.0	0.0	8.0	0.0		1.0		
TOTAL - Chief Fire Officer / CEO		8.0	8.0	0.0	8.0	0.0	0.0	1.0	1.0	
Fleet Management	Deputy Chief Fire Officer	43.6	39.6	0.0	39.6	4.0	0.0	4.0	4.8	
Perf Mgmt & Infor	Deputy Chief Fire Officer	13.4	8.6	0.0	8.6	4.8	0.0	4.8	4.8	
Property, Water + Catering Services	Deputy Chief Fire Officer	30.2	21.6	5.2	26.8	3.4	0.0	3.4	3.4	
Police Collaboration	Deputy Chief Fire Officer	7.0	5.0	0.0	5.0	2.0	0.0	2.0	2.0	
TOTAL - Deputy Chief Fire Officer		94.2	74.8	5.2	80.0	14.2	0.0	14.2	14.2	
Corporate Comms	Director of Corporate Services	5.0	6.0	0.0	6.0	(1.0)		(1.0)	(1.0)	2.0 FTE not included in budget working on Wholesale recruitment team
Human Resources	Director of Corporate Services	31.8	37.1	0.0	37.1	(5.3)	2.0	(3.3)	(3.3)	Remaining posts being reviewed with the director of Corporate
ICT	Director of Corporate Services	21.0	20.8	0.0	20.8	0.2		0.2	0.2	
Finance & Pay	Director of Corporate Services	13.0	13.7	2.0	15.7	(2.7)		(2.7)	(2.7)	Payroll posts being re-assessed post Civica implementation 2.0 Temps working in Payroll as support changes to processing as part of the Civica post implementation. 0.7 FTE additional cover for payroll over budget
Purchasing & Supply	Director of Corporate Services	12.0	11.0	0.0	11.0	1.0		1.0	1.0	
External Secondments	Director of Corporate Services	2.5	2.5	0.0	2.5	0.0	0.5	0.5	0.5	
TOTAL - Director of Corporate Services		85.3	91.1	2.0	93.1	(7.8)	0.0	(7.8)	(7.8)	
Control	Director of Operations	1.6	1.6	0.0	1.6	0.0		0.0	0.0	
Operations	Director of Operations	4.0	2.0	0.0	2.0	2.0		2.0	2.0	
Station Group Admin	Director of Operations	11.6	7.5	0.0	7.5	4.1		4.1	4.1	HR to review the records in Civica for Community Safety, TFS and Station Group Admin
Community Safety	Director of Operations	30.2	37.0	0.0	37.0	(6.8)		(6.8)	(6.8)	HR to review the records in Civica for Community Safety, TFS and Station Group Admin
Technical Fire Safety	Director of Operations	26.3	24.4	0.7	25.1	1.2	1.0	2.2	2.2	HR to review the records in Civica for Community Safety, TFS and Station Group Admin
Health & Safety	Director of Operations	4.0	4.0	0.0	4.0	0.0		0.0	0.0	
TOTAL - Director of Operations		76.1	74.9	0.7	75.6	0.5	1.0	1.5	1.5	
Innovation & Change	Director of Innovation, Risk & Future Development	14.0	14.6	1.7	16.3	(2.3)		(2.3)	(2.3)	
Projects	Director of Innovation, Risk & Future Development	1.0	1.0	1.0	2.0	(1.0)		(1.0)	(1.0)	Project Mgr funded by Govt Grant 1.0 FTE for ESN (COSMOS) Project
Emergency Planning	Director of Innovation, Risk & Future Development	1.0	1.0	0.0	1.0	0.0		0.0	0.0	
Cop Risk & Bus Cont	Director of Innovation, Risk & Future Development	3.0	3.0	0.0	3.0	0.0		0.0	0.0	
TOTAL - Director of Innovation, Risk & Future Development		19.0	19.6	2.7	22.3	(3.3)	0.0	(3.3)	(3.3)	
TOTAL - ACEO People, Values & Culture	ACEO People, Values & Culture	12.1	15.0	0.0	15.0	(2.9)	0.0	(2.9)	(2.9)	Additional posts in Dept. covered by funding from reserves
TOTAL Support Staff FTE		296.3	285.0	10.6	295.6	0.7	0.0	4.5	5.2	

Note:-

- In addition to headcount target above:
- 1. £376K secondary contracts (£350K in Community Safety + £26K in Training)
- 2. £100K for Agency Temp Staff within Innovation and Change
- 3. Information for Maternity and LTS provided by HR
- 4. Police Collaboration - Some posts funded by external parties (ie Essex Police PCC, etc.)

Appendix 4
Operational Income - MANAGEMENT ACCOUNTS – June 2019

Income as at 30th June 2019			
Government Grants	(£1,554,599)	(£1,457,676)	(£96,923)
Cycle to Work Scheme	(£4,390)	(£5,001)	£611
Childcare Vouchers	(£14,254)	(£17,250)	£2,996
Canteen Income	(£19,808)	(£17,073)	(£2,735)
Sale of Vehicle Spares	(£6,286)	(£5,001)	(£1,285)
Aerial Sites	(£39,660)	(£35,001)	(£4,659)
Solar Panel Income	(£12,369)	(£12,501)	£132
Hydrant Tests	(£14,505)	(£22,500)	£7,995
Lease Cars - Employee Contributions	£104	-	£104
Service Charges	(£978)	(£174)	(£804)
Secondments	(£37,657)	(£14,376)	(£23,281)
Community Safety general	(£15,420)	-	(£15,420)
Labour Credit	(£7,830)	(£12,501)	£4,671
Section 13/16	(£38,976)	(£11,250)	(£27,726)
Provision of Hire Vehicles & Equipment	(£800)	(£501)	(£299)
Interest Received Short Term Investments	(£16,630)	(£9,999)	(£6,631)
Community Safety Youth Work	(£20,200)	(£80,001)	£59,801
Shared Services Income	(£79,844)	(£60,564)	(£19,280)
Reimbursements from EFA(T)	(£26,374)	(£27,000)	£626
Other Miscellaneous Income	(£23,557)	(£15,987)	(£7,570)
Total Income	(£1,934,034)	(£1,804,356)	(£129,678)