

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Policy and Strategy Committee

AGENDA ITEM

5

MEETING DATE

21 June 2017

REPORT NUMBER

EFA/070/17

SUBJECT

Budget Review May 2017

REPORT BY

Mike Clayton, Finance Director & Treasurer

PRESENTED BY

Mike Clayton, Finance Director & Treasurer

SUMMARY

This paper reports on expenditure against budget as at 31 May 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

Members are asked to:

1. Note the position on income and expenditure at 31 May 2017 compared to the budget approved by Members;
2. Note the capital expenditure spend against budget for the period to 31 May 2017.
3. To approve the amendment to the support staff headcount numbers to reflect the additional posts in community safety and other departmental changes; and
4. To note the approach to be adopted to provide greater clarity in roles for budget monitoring going forward.

BACKGROUND

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

Description	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	YTD Commitments £'000s
Firefighters	4,802	(136) ✓	-3%	-
On Call Firefighters	600	(60) ✓	-9%	-
Control	224	(6) ✓	-3%	-
Support Staff	2,986	74 ✓	3%	16
Total Employment Costs	8,611	(129) ✓	-1%	16
Support Costs	203	(80) ✓	-28%	54
Premises & Equipment	1,543	(203) ✓	-12%	855
Other Costs & Services	510	(99) ✓	-16%	299
Ill health pension costs	506	45 ✓	10%	-
Financing Items	250	(9) ✓	-3%	(4)
Operational income	(585)	105 ✓	-15%	(0)
Contribution to/(from) Reserves	11	- ✓	0%	-
Total Other Costs	2,439	(240) ✓	-9%	1,204
Total Budget	11,050	(369) ✓	-3%	1,220
Total Funding	(12,838)	32 ✓	0%	-
Funding Gap / (Surplus)	(1,788)	(337) ✓	23%	1,220

More detailed figures are provided at appendix 1.

STAFFING

Overall employment costs are £129K (1.5%) under budget for the 2 months to 31 May 2017.

Spend for whole time fire-fighters is £136K (2.8%) under budget, this reflects headcount being lower than budget.

For on-call firefighters, spend is £60K (9.1%) under budget. This comprises two main elements, actual average headcount at 491 has been consistently below budget at 519 this year, this results in an underspend of c. £30K to May. Activity levels have decreased and are lower than budget, this accounts for an underspend of £30K to date.

Support staff pay is £73K (3.9%) over budget for the 2 month to 31 May. This comprised of an underspend of £1K on directly employed staff (there is further adjustments required to the Budget to accommodate the Job Evaluation impact for the current reporting year), an overspend of £3K on Secondary Contract Staff and an overspend of £71K on casual and temporary staff.

Directly employed support staff full time equivalent (FTE) headcount was 261.2 at 31 May, this shows a net increase of 4.6 FTE or 1.8% since the beginning of the year. A further point worth highlighting is that we now have 14.8 (5%) vacancies against the budgeted establishment. There were also 33 Temporary Support Staff engaged to the end of May 2017.

This takes the total Support Staff to 294.2 for May 2017 (18.2 FTE above budget).

Whole-time fire-fighter numbers at 612.5 are 17.5 (2.8%) under phased budget at the end of May.

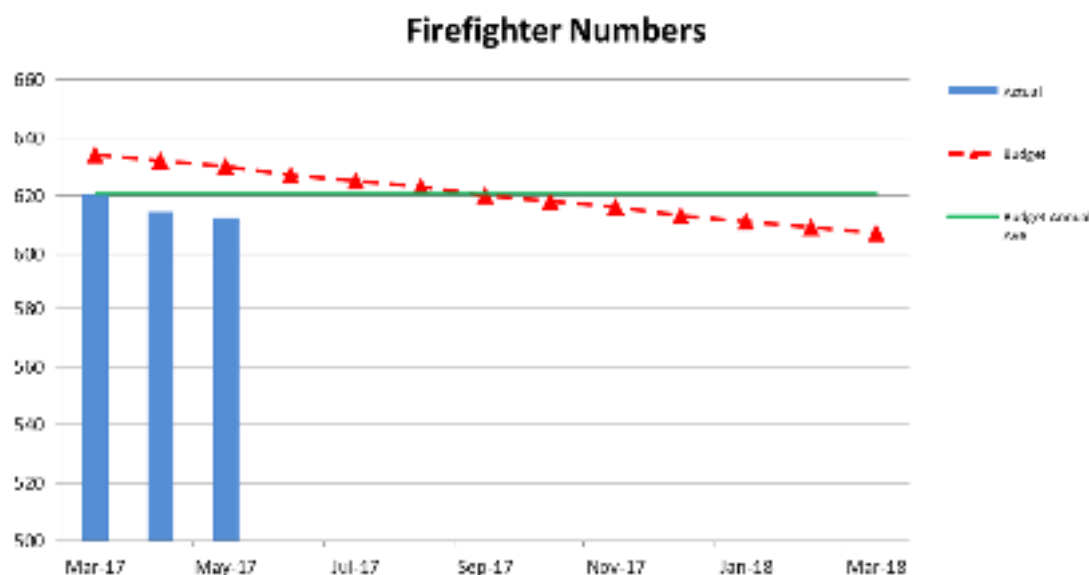
The staffing position at the end of May is summarised below (% figures rounded):

31 May 2017	Actual	Phased Budget	Variance	
Wholetime Firefighters - FTE	612.5	630.0	-17.5	-3%
On-Call Firefighters - Headcount	491.0	519.0	-28.0	-5%
Control - FTE	35.8	33.0	2.8	8%
Support Staff - FTE	261.2	276.0	-14.8	-5%
Total	1,400.5	1,458.0	-57.5	-4%

The figures in the table above show on-call fire-fighters on a headcount basis. On a full time equivalent basis there are 393.5 fire-fighters.

The number of whole-time fire-fighters aged over 50 with more than 30 years' service was 11 at the end of May. The number of fire-fighters aged over 50 with more than 25 years' service was 58 at the end of May.

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	OptJmum Rider Resilience Level	Critical Minimum Rider Requirement	Actual Riders	Wholetime Rota Day Working (FTE)	On-Call Firefighters Mixed Crewing (FTE)
30/04/2017	524	500	476	482.0	0.0	0.0
31/05/2017	524	500	476	477.0	0.0	0.0

ON-CALL FIREFIGHTERS

The table shows that we have a headcount of 491 firefighters at 31 May 2017 a net increase of 9.0 from the 482.0 at 1 April 2017. This includes 19 new starters for Clacton Fire Station.

SUPPORT STAFF HEADCOUNT

The 2017/18 budget included the provision of £400k for additional community safety roles. In addition further work on departmental headcount has been carried out within the

overall budget agreed for support staff costs in the 2017/18 budget. The changes are summarised below:

Staff Changes by Department	Total FTE Budget Bid - Support Staff 31/01/2017	Total Pay Costs (Incl Temp/Agency + after Vacancy Factor) £'000s	Ave Cost per FTE £'000s
Amended Deaprtmental Headcount	285.5	10,915	38.2
Adjustments		£'000s	
Additional Community Safety Funding	10.0	400	
Secondary Contracts		360	
Resilience Pay		370	
Apprenticeship Levy		192	
LGPS Pension Supp/Cont deficit		972	
Amended Budget	295.5	13,209	
Original Budget	276.0	13,209	

To assist in future budget planning all posts will be classified as being “Service Delivery”, “Support Services” or “Project” regardless of whether they are budgeted or filled by employees on Green Book or Grey book conditions of Service. This will ensure that any change of a role from one set of conditions to another will not be seen as increasing the staff numbers. This is because there are a number of roles that could be carried out by staff on either set of conditions.

NON-PAY RELATED EXPENDITURE

Non-pay expenditure is £345K underspent for the 2 month to 31 May; in addition operational income is £105K less than budget.

Support costs are £80K (28.3%), underspent for the 2 month to 31 May, the main areas of underspend are Employee Support Costs - £46K (41.1%); travelling and subsistence - £17K (22.6%) underspent and training - £17K (17.7%) underspent.

Premises and equipment is £203K (11.6%), underspent the main areas of underspend are IT Systems £110K (26.1%); Equipment and Supplies £55K (22.5%) and Transport £19K (12.0%).

Other costs and services are £99K (16.2%) underspent.

CAPITAL EXPENDITURE

Capital expenditure for the 2 months to 31 May 2017 is shown in the table below.

	Original Budget 2017/18 £'000s	Approved Changes £'000s	Revised Budget £'000s	Total Spend including Commitments to end of May 2017 £'000s
Property				
New Premises				
Service Headquarters	-	-	-	-
Service Workshops	3,500	-	3,500	159
Other	-	-	-	-
Existing Premises				
Solar Panels	-	-	-	38
Asset Protection	2,500	-	2,500	463
Asset Improvement Works	-	-	-	-
Total Property	6,000	-	6,000	661
Equipment	605	-	605	-
Information Technology				
Projects > £250k	-	-	-	77
Projects < £250k	2,400	-	2,400	188
Total Information Technology	2,400	-	2,400	264
Vehicles				
New Appliances	2,060	-	2,060	2,108
Other Vehicles	825	-	825	42
Total Vehicles	2,885	-	2,885	2,151
Total Capital Expenditure	11,890	-	11,890	3,076

Total capital expenditure and commitments is £3.1m, the largest item included is £2.2m for new fire engines ordered for delivery in the year. The figure also includes £0.7m for asset protection and service workshops.

The investment of in information technology relates to improvements to the systems for Community Safety and Technical fire safety and the initial purchase costs of the new HR and Payroll system.

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.

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	
Appendix 2 On Call Firefighter Headcount Numbers	
Proper Officer:	Finance Director & Treasurer
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APPENDIX 1 - MANAGEMENT ACCOUNTS – MAY 2017

Description	YTD			
	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	Commitments £'000s
Firefighters	4,802	(136)	-3%	-
On-Call Fire-Fighters	600	(60)	-9%	-
Control	224	(6)	-3%	-
Support Staff	2,986	74	3%	16
Total Employment Costs	8,611	(129)	-1%	16
Training	79	(17)	-18%	10
Employee Support Costs	66	(46)	-41%	40
Travel & Subsistence	58	(17)	-23%	4
Support Costs	203	(80)	-28%	54
Property Maintenance	346	(14)	-4%	660
Utilities	89	(9)	-9%	1
Rent & Rates	242	11	5%	-
Equipment & Supplies	191	(55)	-22%	68
Communications	227	(8)	-3%	3
Information Systems	311	(110)	-26%	93
Transport	137	(19)	-12%	30
Premises & Equipment	1,543	(203)	-12%	855
Establishment Expenses	174	(6)	-3%	67
Insurance	90	(5)	-5%	-
Professional Fees & Services	200	(85)	-30%	232
Democratic Representation	21	(4)	-15%	-
Agency Services	26	1	4%	-
Other Costs & Services	510	(99)	-16%	299
III Health Pension costs	506	45	10%	-
Lease & Interest Charges	250	(9)	-3%	(4)
Depreciation	-	-	0%	-
Asset management revenue account	-	-	0%	-
Statutory Provision for Capital Financing	-	-	0%	-
Voluntary Provision for Capital Financing	-	-	0%	-
Financing Items	250	(9)	-3%	(4)
Operational income	(585)	105	-15%	(0)
Contributions to/ (from) General Balances	11	-	0%	-
Total Net Financing Requirement	11,050	(369)	-3%	1,220
Revenue Support Grant	(4,346)	-	0%	-
National Non-Domestic Rates	(2,557)	(0)	-100%	-
Council Tax Collection Account	(116)	-	0%	-
Council Tax	(5,819)	32	0%	-
Total Funding	(12,838)	32	0%	-

APPENDIX 2**ON CALL FIREFIGHTER HEADCOUNT NUMBERS**

	Actual For End of	Movement since	Joiners since	Leavers since	Transfers In since	Transfers Out since
Station	May 2017	01 Apr 2017	01 Apr 2017	01 Apr 2017	01 Apr 2017	01 Apr 2017
Billericay	13	0	0	0	0	0
Braintree	21	0	0	0	0	0
Brentwood	15	0	0	0	0	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	10	(1)	0	(1)	0	0
Dovercourt	12	0	0	0	0	0
Dunmow	17	0	0	0	0	0
Epping	15	1	1	0	0	0
Frinton	14	(1)	0	(1)	0	0
Halstead	19	(1)	0	(1)	0	0
Hawkeell	14	0	0	0	0	0
Ingatestone	11	0	0	0	0	0
Leaden Roding	7	0	0	0	0	0
Maldon	20	(1)	0	(1)	0	0
Manningtree	14	0	0	0	0	0
Newport	10	0	0	0	0	0
Old Harlow	11	(1)	0	(1)	0	0
Ongar	8	1	1	0	0	0
Rochford	12	0	0	0	0	0
Saffron Walden	20	(1)	0	(1)	0	0
Shoeburyness	10	(2)	0	(2)	0	0
Sible Hedingham	9	0	0	0	0	0
Stansted	16	0	0	0	0	0
Thaxted	7	0	0	0	0	0
Tillingham	10	0	0	0	0	0
Tiptree	12	(1)	0	(1)	0	0
Tollesbury	11	0	0	0	0	0
Weeley	15	0	0	0	0	0
West Mersea	11	(1)	0	(1)	0	0
Wethersfield	10	0	0	0	0	0
Wickford	13	0	0	0	0	0
Witham	22	0	0	0	0	0
Wivenhoe	12	(1)	0	(1)	0	0
Grand Total	491	9	21	(12)	0	0