

# Essex Fire Authority

## Essex County Fire and Rescue Service



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MEETING

**Policy & Strategy  
Committee**

AGENDA ITEM

**4**

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MEETING DATE

2 November 2016

REPORT NUMBER

**EFA/119/16**

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SUBJECT

**Budget Review**

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REPORT BY

Finance Director & Treasurer

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PRESENTED BY

Finance Director & Treasurer – Mike Clayton

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### SUMMARY

This paper reports on expenditure against budget as at 30 September 2016 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 the Authority's income and expenditure at 30 September 2016 compared the original budget; and
2. Note the capital expenditure spend against budget for the period to 30 September 2016.

### BACKGROUND

This table below shows actual expenditure against budget to 30 September 2016.

Description	YTD			
	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	Commitments £'000s
Firefighters	15,884	(323)	-2%	-
On Call Firefighters	2,450	71	3%	-
Control	635	(42)	-6%	-
Support Staff	5,719	(82)	-1%	214
<b>Total Employment Costs</b>	<b>24,688</b>	<b>(375)</b>	<b>-1%</b>	<b>214</b>
Support Costs	1,074	(77)	-7%	83
Premises & Equipment	4,815	(442)	-8%	1,401
Other Costs & Services	2,088	261	14%	384
Ill health pension costs	1,114	51	5%	-
Financing Items	816	(4)	-1%	(10)
Operational income	(2,069)	(122)	6%	0
Contribution to/(from) Reserves	-	731	0%	-
<b>Total Other Costs</b>	<b>7,838</b>	<b>398</b>	<b>5%</b>	<b>1,858</b>
<b>Total Budget</b>	<b>32,527</b>	<b>23</b>	<b>0%</b>	<b>2,073</b>
<b>Total Funding</b>	<b>(37,111)</b>	<b>24</b>	<b>0%</b>	<b>-</b>
<b>Funding Gap / (Surplus)</b>	<b>(4,584)</b>	<b>47</b>		<b>2,073</b>

More detailed figures are provided at page 6.

## STAFFING

Overall employment costs are £375K (1.5%) under budget for the 6 months to September.

Spend for; whole time fire-fighters is £323K (2.0%) under budget, this reflects headcount being lower than budget in the first half of the year, for on-call firefighters, spend is £71K (2.98%) over budget.

Support staff pay is £84K (1.4%) under budget for the 6 months to September. This comprised an underspending of £208K on directly employed staff offset by an overspending of £126K on casual and temporary staff.

Whole-time fire-fighter numbers at 678.0 are 13.0 (1.9%) under phased budget at the end of September. On that date 34 firefighters left the Service and for October the budgeted number of firefighters has reduced to 648.

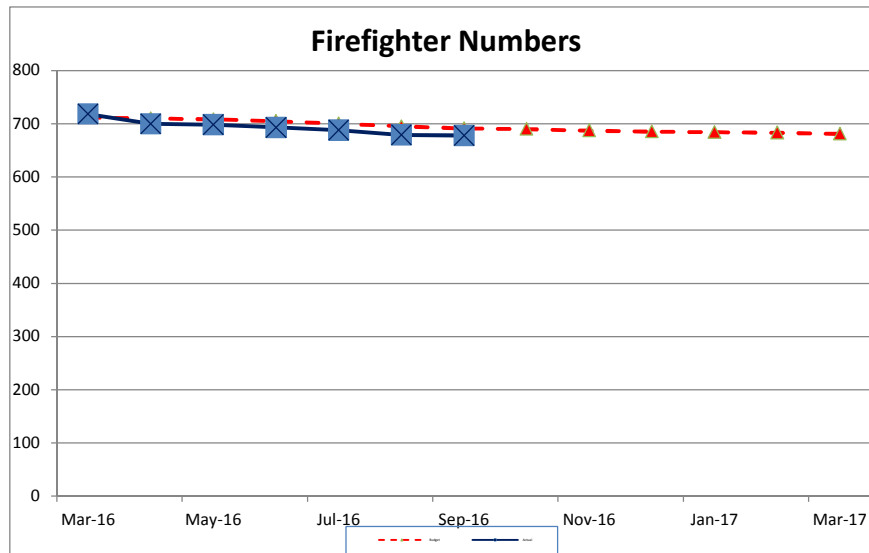
The staffing position at the end of September is summarised below (% figures rounded):

30 Sep 2016	Actual	Phased Budget	Variance	
Wholetime Firefighters - FTE	678.0	691.0	-13.0	-2%
On-Call Firefighters - Headcount	475.0	519.0	-44.0	-8%
Control - FTE	31.8	33.0	-1.2	-4%
Support Staff - FTE	240.6	278.7	-38.1	-14%
Total	1,425.4	1,521.7	-96.3	-6%

The figures in the table above show on-call fire-fighters on a headcount basis. On a full time equivalent basis there are 376.8 fire-fighters.

The number of whole-time fire-fighters aged over 50 with more than 30 years' service was 11 at the end of August. The number of fire-fighters over 50 with more than 25 years' service was 79 at the end of August.

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



## 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)
31/08/2016	600	576	548	538.0	0.0	2.4
30/09/2016	600	576	548	539.0	0.0	2.4

The shortage of riders was addressed by the removal of the second fire engines from Loughton, Orsett and Rayleigh Weir fire stations at the end of September as part of Programme 2020.

## ON-CALL FIREFIGHTERS

Full details of the on-call numbers are provided in Appendix 2. The table shows that we have a headcount of 475.0 firefighters at 30th September a net reduction of 3.0 from the 478.0 at 1<sup>st</sup> April this year. Consultation on amendments to the bandings for on-call availability has commenced. Research has evidenced that this is a significant barrier to recruitments, particularly for a more diverse workforce.

## NON-PAY RELATED EXPENDITURE

Non-pay expenditure is £9K underspent for the 6 months to 30 September; in addition operational income is £122K better than budget.

Support costs are £77K (6.7%) overspent for the 6 months to 30 September, the main area of underspend is travelling and subsistence which is £102K (30%) underspent.

Premises and equipment is £442K (8%) underspent, this reflects a slow first half of the year on property maintenance ICT and operational equipment.

Other costs and services are £261K (14%); this includes £199K on legal costs.

## CAPITAL EXPENDITURE

Capital expenditure for the 6 months to 30 September 2016 is shown in the table below.

Total capital expenditure is £3.9m, the largest item included is £2.5m for new appliances. The figure also includes £716K for asset protection and service workshops. Equipment includes thermal imaging cameras (£237K), fire ground radio (£88K) and RPE masks and equipment (£36K).

The investment of £195K in information technology relates to replacing the MIS system for Community Safety and Fleet Workshops.

	Original Budget 2016/17 £'000s	Approved Changes £'000s	Revised Budget - 16/3/16 £'000s	Total Spend including Commitments £'000s
<b>Property</b>				
New Premises				
Service Headquarters	-	-	-	-
Service Workshops	1,000	-	1,000	174
Other	-	-	-	-
Existing Premises				
Solar Panels	300	-	300	3
Asset Protection	2,000	-	2,000	538
Asset Improvement Works	-	-	-	-
<b>Total Property</b>	<b>3,300</b>	<b>-</b>	<b>3,300</b>	<b>716</b>
<b>Equipment</b>	<b>592</b>	<b>597</b>	<b>1,189</b>	<b>360</b>
<b>Information Technology</b>				
Projects > £250k	-	-	-	78
Projects < £250k	825	-	825	117
<b>Total Information Technology</b>	<b>825</b>	<b>-</b>	<b>825</b>	<b>195</b>
<b>Vehicles</b>				
New Appliances	2,255	-	2,255	2,503
Other Vehicles	851	116	967	149
<b>Total Vehicles</b>	<b>3,106</b>	<b>116</b>	<b>3,222</b>	<b>2,651</b>
<b>Total Capital Expenditure</b>	<b>7,823</b>	<b>713</b>	<b>8,536</b>	<b>3,922</b>

## 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 – September 2016	
Appendix 2 On-call Firefighter 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

## MANAGEMENT ACCOUNTS – SEPTEMBER 2016

Description	YTD			
	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	Commitments £'000s
Firefighters	15,884	(323)	-2%	-
On-Call Fire-Fighters	2,450	71	3%	-
Control	635	(42)	-6%	-
Support Staff	5,719	(82)	-1%	214
<b>Total Employment Costs</b>	<b>24,688</b>	<b>(375)</b>	<b>-1%</b>	<b>214</b>
Training	297	(37)	-11%	43
Employee Support Costs	542	62	13%	36
Travel & Subsistence	235	(102)	-30%	4
<b>Support Costs</b>	<b>1,074</b>	<b>(77)</b>	<b>-7%</b>	<b>83</b>
Property Maintenance	966	(106)	-10%	538
Utilities	290	(5)	-2%	3
Rent & Rates	672	(22)	-3%	48
Equipment & Supplies	747	23	3%	72
Communications	673	(31)	-4%	514
Information Systems	1,037	(266)	-20%	196
Transport	430	(35)	-8%	30
<b>Premises &amp; Equipment</b>	<b>4,815</b>	<b>(442)</b>	<b>-8%</b>	<b>1,401</b>
Establishment Expenses	433	(34)	-7%	5
Insurance	266	10	4%	-
Professional Fees & Services	1,255	279	29%	379
Democratic Representation	69	(3)	-4%	-
Agency Services	64	9	16%	-
<b>Other Costs &amp; Services</b>	<b>2,088</b>	<b>261</b>	<b>14%</b>	<b>384</b>
<b>III Health Pension costs</b>	<b>1,114</b>	<b>51</b>	<b>5%</b>	<b>-</b>
Lease & Interest Charges	816	(4)	-1%	(10)
Statutory Provision for Capital Financing	-	-	0%	-
<b>Financing Items</b>	<b>816</b>	<b>(4)</b>	<b>-1%</b>	<b>(10)</b>
Operational income	(2,069)	(122)	6%	0
Contributions to/ (from) General Balances	-	731	0%	-
<b>Total Net Financing Requirement</b>	<b>32,527</b>	<b>23</b>	<b>0%</b>	<b>2,073</b>
Revenue Support Grant	(9,057)	(2)	0%	-
National Non-Domestic Rates	(7,748)	(8)	0%	-
Council Tax Collection Account	(429)	35	0%	-
Council Tax	(19,876)	(0)	-1%	-
<b>Total Funding</b>	<b>(37,111)</b>	<b>24</b>	<b>0%</b>	<b>-</b>

## ON-CALL FIREFIGHTER NUMBERS

ON CALL FIREFIGHTERS					
Headcount Movement 2016-17					
Row Labels	Actual 30th Sept	Joiners	Leavers	Transfers	Year to date movement Incr/(Decr)
Billericay	14.0	0.0	0.0	0.0	0.0
Braintree	20.0	0.0	(3.0)	0.0	(3.0)
Brentwood	13.0	1.0	(1.0)	(1.0)	(1.0)
Brightlingsea	12.0	1.0	0.0	0.0	1.0
Burnham	9.0	0.0	(4.0)	0.0	(4.0)
Canvey Island	18.0	0.0	0.0	0.0	0.0
Coggeshall	12.0	1.0	0.0	1.0	2.0
Corringham	13.0	2.0	(1.0)	0.0	1.0
Dovercourt	12.0	0.0	0.0	0.0	0.0
Dunmow	14.0	2.0	(3.0)	(1.0)	(2.0)
Epping	14.0	0.0	(2.0)	1.0	(1.0)
Frinton	17.0	0.0	0.0	0.0	0.0
Halstead	23.0	2.0	0.0	0.0	2.0
Hawkwell	14.0	1.0	(1.0)	0.0	0.0
Ingatestone	12.0	2.0	0.0	0.0	2.0
Leaden Roding	7.0	0.0	0.0	0.0	0.0
Maldon	20.0	0.0	(2.0)	1.0	(1.0)
Manningtree	14.0	2.0	(2.0)	0.0	0.0
Newport	10.0	0.0	0.0	0.0	0.0
Old Harlow	14.0	0.0	0.0	0.0	0.0
Ongar	7.0	2.0	0.0	(1.0)	1.0
Rochford	10.0	1.0	(1.0)	0.0	0.0
Saffron Walden	21.0	0.0	(1.0)	0.0	(1.0)
Shoeburyness	10.0	0.0	(2.0)	0.0	(2.0)
Sible Hedingham	8.0	0.0	0.0	0.0	0.0
Stansted	16.0	4.0	(2.0)	0.0	2.0
Thaxted	8.0	0.0	0.0	0.0	0.0
Tillingham	11.0	1.0	(1.0)	0.0	0.0
Tiptree	13.0	1.0	0.0	0.0	1.0
Tollesbury	11.0	1.0	(1.0)	0.0	0.0
Weeley	14.0	1.0	(1.0)	0.0	0.0
West Mersea	12.0	1.0	0.0	0.0	1.0
Wethersfield	9.0	0.0	0.0	0.0	0.0
Wickford	11.0	0.0	0.0	0.0	0.0
Witham	19.0	0.0	(3.0)	0.0	(3.0)
Wivenhoe	13.0	2.0	0.0	0.0	2.0
<b>Grand Total</b>	<b>475.0</b>	<b>28.0</b>	<b>-31.0</b>	<b>0.0</b>	<b>(3.0)</b>