

Status of Report: Public

Meeting: Corporate Governance Committee

Date: 13 March 2019

Subject: Financial Monitoring to end January 2019

Report by: The Treasurer

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For: Discussion

1. Purpose

This report presents the key issues arising from the 2018/19 revenue budget and capital programme as at the end of January 2019 (Financial Period 10).

2. Recommendations

The Committee is asked to note the revenue and capital budget position as at the end of January 2019.

3. Executive Summary

- 3.1. The Combined Fire Authority (CFA) agreed the revenue and capital budgets for 2018/19 at its meeting on the 7 February 2018.) Carry forwards of £248,000 revenue and £2,509,000 capital from 2017/18 were agreed by the CFA on the 20 June 2018. These carry forwards are included in the budget figures to this report.
- 3.2. The report shows a saving from the adjusted revenue budget of £15,000. However, as this is a relatively small variance which remains subject to a number of key variables, no specific action is required at this stage. Capital savings are £153,000 and additional possible slippage is £368,000.

4. Background

Revenue Budget

- 4.1 The budget figures have been updated to reflect the budget carry forwards agreed by the CFA at its meeting on the 20 June 2018, together with the variances to the end of November 2018 reported to the Committee at its meeting on 23 January 2019.

4.2 The updated revenue budget position as at the end of January 2019 is summarised in Table 1 below.

Table 1 - 2018/19 Revenue Budget	Annual Budget after Carry Forwards £000	Adjustments Previously Agreed £000	Current Annual Budget after Adjustments £000	Forecast Outturn £000	Forecast (Savings)/ Overspend £000
Employees	25,790	36	25,826	25,826	0
Premises	2,366	40	2,406	2,406	0
Transport	1,006	(18)	988	988	0
Supplies and Services	3,422	272	3,694	3,694	0
Capital Financing	3,476	177	3,687	3,687	0
Total Expenditure	36,060	435	36,601	36,601	0
Controllable Income	(1,620)	(687)	(2,307)	(2,322)	(15)
Net Budget	34,440	(180)	34,294	34,279	(15)

4.3 The monitoring suggests a small net revenue saving to the adjusted budget of £15,000. This is subject in particular to fluctuation in operational overtime, retained pay, energy costs and the firefighters' pay award, all of which are currently being controlled within existing budgets.

4.4 The following notes are issues currently highlighted:

Employees

- There is no further update on the firefighters' pay award, which remains an area of significant budget uncertainty. The report to the Committee's November meeting gave more detail.

Transport

- The fuel budget continues to be closely monitored and there is a possibility it will overspend.

Income

- £15,000 additional interest income is expected due to updated cashflow projections.

5. Capital Programme

5.1 The updated capital programme 2018/19 totals £3,388,000. This is summarised in Table 2 below.

Table 2 2018/19 Capital Programme	Programme after Carry Forwards	Adjustments Previously Agreed	Updated programme 2018/19	Forecast Outturn	Forecast (Savings)/ Overspend
	£'000	£000	£000	£000	£000
Vehicles	2,152	(1,500)	652	572	(80)
Property	1,279	115	1,394	1,321	(73)
Fire Control Project	318	0	318	318	0
IT and Equipment	1,611	(587)	1,024	1,024	0
TOTAL	5,360	(1,972)	3,388	2,437	(153)

Vehicles:

5.2 Projects in this area are making progress, although it is expected that not all will be completed by the end of March 2019. Slippage into 2019-20 is likely for the VF4 road safety vehicle (£30,000), and a saving of £80,000 (actual) on the fleet replacement programme can be released.

Property:

5.3 Projects for the Lutterworth Station refurbishment and the Training Rig are now completed and the accounts are being finalised. A saving of £60,000 is predicted. The Wigston project is also finalised and is likely to have a final underspend of £13,000.

IT and Equipment:

5.4 Projects in this area are making progress, although it is expected that not all will be completed by the end of March 2019. Projects likely to slip into 2019/20 are highlighted below:

- i. Development work on integrating a Learning Management system within the existing FireWatch HR software (£73,000)
- ii. GDPR £30,000
- iii. Views replacement project £75,000
- iv. CCTV £160,000

6. Report Implications / Impact

6.1. ***Legal (including crime and disorder)***

None.

6.2. ***Financial (including value for money, benefits and efficiencies)***

These are included in the main body of the report.

6.3. ***Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)***

Risks are identified and closely monitored throughout delivery of the budget. This enables early action to be taken to address any issues that arise.

6.4. ***Staff, Service Users and Stakeholders (including the Equality Impact Assessment)***

None.

6.5. ***Environmental***

None.

6.6. ***Impact upon Our Plan Objectives***

The Finance and Resources strategic aim of demonstrating value for money is supported by the effective monitoring and review of the revenue and capital budgets throughout the year.

Background Papers

Budget Strategy 2018/19 to 2020/21 (CFA 7 February 18)

<http://www.leicestershire-fire.gov.uk/wp-content/uploads/2016/06/item-08-budget-strategy-report-2018-19-to-2020-21.pdf>

Revenue and Capital Outturn 2017/18 (CFA 20 June 18)

<http://www.leicestershire-fire.gov.uk/wp-content/uploads/2016/06/revenue-and-capital-outturn-2017-18.pdf>

Financial Monitoring to end November 2018 (CGC 23 January 2019)

<http://www.leicestershire-fire.gov.uk/wp-content/uploads/2016/06/financial-monitoring-to-end-november-18-final.pdf>

Budget Strategy 2019/20 to 2021/22 (CFA 6 February 19)

<http://www.leicestershire-fire.gov.uk/wp-content/uploads/2016/06/budget-strategy-2019-20-final.pdf>

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