

Status of Report: Public

Meeting: Corporate Governance Committee

Date: 20 November 2019

Subject: Financial Monitoring to end September 2019

Report by: The Treasurer

Author: Amy Oliver (Chief Accountant at Leicester City Council)

For: Discussion

Purpose

1. This budget monitoring report is the second in the budget monitoring cycle and presents the key issues arising from the revenue budget and capital programme as at the end of September 2019 (Financial Period 6).

Recommendations

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

Executive Summary

3. The budget figure within this report for the Combined Authority, includes previously agreed carry forwards from 2018/19 for both revenue (£146k) and capital (£3,148k).
4. This report indicates the current financial position compared to the updated budget for 2019/20 Revenue Budget and the 2019/20 Capital Programme.

Background

Revenue Budget

5. The budget figures have been updated to reflect the carry forwards agreed by the CFA at its meeting on 19 June 2019.

6. The updated revenue budget position is summarised in Table 1 below.

Table 1 - 2019/20 Revenue Budget	Annual Budget after Carry Forwards £000	Forecast Outturn £000	Variance £000
Employees	26,460	26,070	(300)
Premises	2,261	2,261	0
Transport	992	992	0
Supplies and Services	3,295	3,295	0
Capital Financing	3,797	3,797	0
Total Expenditure	36,805	36,415	(300)
Controllable Income	(1,137)	(1,487)	(350)
Net Budget	35,668	34,928	(650)

7. The following notes relate to issues currently highlighted:

Employees

- i. Currently Firefighters pay is showing an underspend, but this is mainly due to the 2% pay award effective from July 2019 not being due for payment until October 2019. In the next monitoring report, more detail will be provided on this area.
- ii. The support staff budget is currently forecasting an underspend for this financial year, mainly in relation to a number of vacancies within the establishment. Some temporary project roles were to be funded by contributions from earmarked reserves, but these can now be funded from the budget. Hence, in addition to the underspend, it is now forecast that less of the reserves will be required, making this money available for future one-off items of expenditure.
- iii. As previously reported, there are continued pressures within the Control Room where the budget does not fully reflect the costs. It is anticipated that in 2019/20 these can be met from existing resources and the ongoing requirement will be considered as part of the 2020/21 budget.

- iv. Retained staff continues to have vacancies and is currently forecasting to underspend by circa £250k this year.
- v. Currently training is forecasting to require an additional £120k due to increased demand, however this requires further detailed review.
- vi. Overall, an underspend of circa £300k is expected at this stage.

Supplies and Services

- vii. At this current time, the majority of supplies and services budgets are forecast to remain in budget. A couple of areas are forecasting to overspend, but are expected to be managed within the overall budget.
- viii. The business rates budget is currently forecasting to overspend by circa £85k, due to the effect of revaluations. This budget is currently being reviewed as part of the budget setting process for 2020/21.
- ix. Audit and finance fees are anticipated to overspend in the region of £20k. This relates to the additional external audit work required to complete the 2018/19 accounts, as reported to the CFA at its meeting on 27 September 2019; and to additional professional financial support made available by Leicester City Council at a cost to the Fire Authority.

Income

- x. The budget strategy 2019-22 identified expected income of £500k from the New Dimensions grant, however the grant received in 2019-20 will be £850k (as notified after the budget was set). Plans for how to best utilise this additional money will be presented in a later report to the CFA. The plans will include items to support the outcomes of the Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services inspection.

Capital Programme

- 8. After inclusion of carry forwards, the capital programme 2019/20 totals £5,291,000. This is summarised in Table 2 below.

Table 2	Programme after Carry Forwards	Forecast Outturn	Slippage	(Savings)/ Overspends
2019/20 Capital Programme	£'000	£'000	£'000	£'000
Vehicles	3,094	2,411	(683)	0
Property	347	347	0	0
Fire Control Project	318	318	0	0
IT and Equipment	1,532	1,282	(100)	(150)
TOTAL	5,291	4,608	(683)	(150)

9. Delivery of officers' cars, tactical response vehicles and fire appliances is progressing as anticipated within the capital programme budget. The vehicle budget includes £683k for a new Aerial Ladder Platform which is subject to consultation as part of the Integrated Risk Management Plan (IRMP) and therefore will not be spent in this financial year.
10. Property condition survey works for years one to three are complete. Year four works including boilers at headquarters and facilities at Western Station are progressing. An evaluation of future condition survey work will be undertaken.
11. The ICT and equipment projects are progressing, although it is expected that some slippage to 2020/21 will occur. Some early savings are being identified within ICT projects which may free up monies for the future capital programme.

Report Implications / Impact

12. Legal (including crime and disorder)

None.

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

These are included in the main body of the report.

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

It is important to be aware of how the budget is progressing as it enables early action to be taken to address any issues that arise.

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

None.

16. Environmental

None.

17. 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 2019/20 to 2021/22 (CFA 6 February 2019)

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

Revenue and Capital Outturn 2018/19 (CFA 19 June 2019)

<https://leics-fire.gov.uk/wp-content/uploads/2019/06/revenue-and-capital-outturn-2018-19-.pdf>

[Financial Monitoring to end July 2019 \(CGC 18th September 2019\)](#)

<https://leics-fire.gov.uk/wp-content/uploads/2019/09/financial-monitoring-to-end-july-2019-.pdf>

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