

Appendix A

1. Revenue Forecasts by Service Area

Table 1 The budget of £29m is compared to the forecast outturn to give a forecast year end under-spend of £1.3m. If you take out the Statutory Accounting & Contingency items totaling £657k, we are forecasting a £645k overall underspend.

Directorate	Area Manager	Total Budget	Actual Year to Date	Forecast Outturn	Projected Year End Variance	Variance %
Corporate Core	Corporate Core	928,308	821,385	933,588	5,280	0.57%
	Legal & Governance	108,978	79,592	103,430	-5,548	-5.09%
Corporate Core Total		1,037,286	900,978	1,037,018	-268	-0.03%
Finance & Assets	Finance Team	639,250	312,458	621,772	-17,478	-2.73%
	Resource Management	2,768,169	2,273,595	2,728,815	-39,353	-1.42%
	Knowledge & Information Services	1,371,766	1,020,564	1,380,835	9,069	0.66%
Finance & Assets Total		4,779,185	3,606,617	4,731,422	-47,762	-1.00%
People & Organisation Development	Training & Development	1,522,666	1,025,896	1,414,746	-107,920	-7.09%
	Operations & Services	687,787	576,149	796,353	108,566	15.78%
People & Organisation Development Total		2,210,453	1,602,045	2,211,099	646	0.03%
Delivery, Corporate Development & Planning	Service Delivery	15,112,497	10,950,111	14,734,219	-378,278	-2.50%
	Communication, Consultation & Admin	428,571	340,689	461,397	32,826	7.66%
	Service Development	2,442,353	1,737,794	2,190,308	-252,045	-10.32%
Delivery, Corporate Development & Planning Total		17,983,421	13,028,594	17,385,924	-597,497	-3.32%
Statutory Accounting & Contingency	Capital Charges	720,000	189,825	720,000	0	0.00%
	Direct Revenue Financing	1,422,000	1,422,000	1,422,000	0	0.00%
	Contingency	739,342	0	80,250	-659,092	-89.15%
	Non Distributed Costs	15,963	6,462	15,963	0	0.00%
	Industrial Action	80,000	82,252	82,252	2,252	2.81%
Statutory Accounting & Contingency Total		2,977,305	1,700,538	2,320,465	-656,840	-22.06%
Grand Total		28,987,650	20,838,772	27,685,928	-1,301,722	-4.49%

The key variations are;

Corporate Core – The overspend due the full effect of the savings from the SMT restructure not being felt until next financial year has been covered by the provision that was made in 2013/14.

Finance & Assets £48k under - The finance team is projecting an underspend of £17k mainly due to a VAT reimbursement from HMRC relating to overpayments in previous years. The underspend in resource management is due two vacant procurement officer positions, a vacant post in workshops which will not be filled, an underspend in cleaner costs and savings made in the contract for insurance. These underspends are partly offset by the £74k planned rental savings not being realised this financial year. The knowledge & information services team is forecasting an overspend in staffing due to payments to agency staff covering vacant posts following the recent restructure. The overspend is offset by an underspend projected in ICT communications due to the delayed implementation of the APN project and smaller underspends in other headings.

People & Organisation Development – There is an underspend in the training unit relating to a vacant supervisor post though this is offset by a shortfall in course fee income, additional responsibility payments and increased hours for a part-time member of staff. There is a £27k underspend in operational training due to vacancies in this area, a £31k underspend on staffing in the driving school due to one instructor post operating under an SLA with Oxfordshire at a lower cost than budgeted and a £59k projected underspend on staff development and training. The overspend in operations and services is due to additional costs relating to the ongoing HR administration review.

Delivery, Corporate Development & Planning £597k under – Service delivery is projecting a £378k underspend despite currently being one firefighter over budgeted establishment. The overspend due to this over establishment is offset by the following underspends; £104k underspend in USAR allowances, training and equipment budgets following the amalgamation with Aylesbury; a projected underspend of £140k in RDS; an underspend of £93k due to staff not opting in to the pension scheme; and a £106k underspend in admin staff the majority of which is in fire safety prevention and protection.

The service delivery budget has been reduced by £462k to reflect a reduction in twelve firefighters. Currently service delivery is one firefighter over establishment and we anticipate that by year end these savings will be achieved.

The majority of the £252k underspend in service development relates to the control room which is currently five posts under establishment. Arrangements have been made to ensure resilience in this area by setting specific rotas in advance. Existing control room staff can swap rota days and overtime arrangements are in place to ensure cover. The business continuity plan has included contingency cover for control staff who have already been redeployed to other posts within the service, they are required to maintain their control room competencies through regular training and testing. There are currently five members of staff available for emergency cover under this arrangement.

Statutory Accounting & Contingency £689k under - The contingency fund was originally set up in the budget to cover the costs of modernisation under the Moving Forward agenda and any pay award and pay protection arrangements. Contingency funds have been required this year to cover any costs incurred relating to the recent period of Industrial Action and any planned future action.

2. Revenue Forecasts by subjective heading

Table 2 shows the budget and forecast out-turn for each subjective heading as at the end of December 2013.

Subjective	Total Budget	Actual Year to Date	Forecast Outturn	Projected Year End Variance
Employees - Direct	22,341,808	16,041,995	21,660,614	-681,194
Employees - Indirect	904,747	440,955	919,584	14,837
Premises	1,842,505	1,565,497	1,908,356	65,851
Transport	849,223	702,377	892,631	43,408
Supplies and Services	2,185,382	1,185,419	2,100,391	-84,991
Contingency & Provisions	739,342	-926	80,250	-659,092
3rd Party Payments	315,533	-26,781	306,053	-9,480
Capital Charges	720,000	209,775	720,000	0
Direct Revenue Financing	1,422,000	1,422,000	1,422,000	0
Transfer to/from Reserve	-1,181,426	17,574	-1,181,426	0
Grants, Reimbursements & Contributions	-123,479	-74,074	-109,548	13,931
Customer and Client Receipts	-957,985	-640,724	-942,976	15,009
Interest Received	-70,000	-4,315	-90,000	-20,000
Grand Total	28,987,650	20,838,772	27,685,928	-1,301,722

Employees – There is a net underspend of £666k on employee related expenditure which includes pay, national insurance and pension costs of staff as well as employment agency costs. This underspend relates to current staffing levels under budgeted establishment in RDS, the control room, and administrative staff across the whole organisation.

Premises – The overspend relates to planned rental savings not being achieved this financial year, this has been corrected in the 2014/15 budget.

Transport – The overspend relates to the new car lease scheme for officers. The budget was reduced at the start of the year in anticipation of the scheme which didn't start until part way through the year.

Supplies and Services - The main underspends are in the following areas; ICT due to the delayed implementation of the APN project and savings in the cost of communications; protective clothing and operational equipment for USAR.

Customer and Client Receipts – the forecasted shortfall relates to course fee income and is offset by an underspend on staffing in the training unit.

Interest received – It is currently projected that the interest received will be in excess of the £70k budgeted.

3. Aged Analysis of Agency Staff

Post Designation	From	To	Duration (months)
12 months +			
ICT Manager	Jun-12	Jun-13	13
Control Project Accountant	Jul-12	Jun-13	12
6-12 months			
ICT Service Desk Technician	Jan-13	Jun-13	6
Less than 6 months			
Control Project ICT Project Support	Aug-13	Oct-13	2.5
Team Administrator	Sep-13	Nov-13	2.5
ICT Systems Administrator	Jul-13	Jul-13	1
ICT Service Desk Technician	Sep-13	Sep-13	0.5

The posts indicated in the table above have been filled by agency staff during 2013/14 in support of staffing restructures within the Finance and ICT teams. Agency staff have also been used to cover for existing staff who have been temporarily re-assigned to support the control room project, the costs of this support is funded by a CLG (combined control) grant.

4. Major Risk Areas

The monitoring process will focus on areas identified by management as high risk. An initial assessment of the main financial risks faced has been undertaken by Finance against the following categories:

- High value budgets
- Historically volatile budgets
- Demand led income and expenditure budgets

		Total Budget	Actual Year to Date	Forecast Outturn	Projected Year End Variance
A.	Employee Direct Costs	22,341,808	16,041,995	21,594,614	-747,194
B.	Knowledge & Information Services	1,371,766	1,020,564	1,380,835	9,069
C.	ICTU Course Fee Income	165,000	105,475	145,000	-20,000
D.	Fuel Charges	360,000	238,293	317,513	-42,487
E.	Energy/Utilities	270,744	146,444	275,397	4,653
F.	Employment Agencies/Consultants	381,685	275,769	554,782	173,097

Key variance explanations:

Knowledge & Information Services – Following the restructure there are a number of vacant posts in this team, some of which are being covered by agency members of staff.

Course Fee Income – forecasted shortfall here due to lower than expected sales in the summer period. This is offset by an underspend in staffing in the training unit and will be continue to be closely monitored.

Fuel –Despite the current projected underspend on fuel, this area is still considered a risk due to the volatile nature of fuel prices and will continue to be monitored closely.

Employment Agencies/Consultants - Consultancy work continues to contribute towards delivering the moving forward agenda, implementing the new asset management system, restructure of the knowledge information services team (KIS), SAP HR and work on the control room project.

5. Savings and efficiencies

Of the £1,584k savings offered up in the 2013/14 MTFP £887k is from operations, £612k from finance & assets with the remainder from the people and organisation development directorate.

The savings relating to the reduction of firefighter posts will be realised in line with the retirement profile. When the budget is set the establishment is reduced by the full number of post reduction proposed. With currently one firefighter over the budgeted establishment it is anticipated that by year end these savings will be achieved.

The under-recovery of savings identified in the table below have been reflected as overspends within the overall budget monitoring in Table 1.

Dept	Description	Target Saving £000	Forecast Actual Saving £000	Under/ (Over) Recovery £000	Comments
Delivery, Corporate Development and Planning	Reduction of 12 FF posts & changes to day crewing	887	733	39	currently 1 FF over budgeted establishment
People & Organisation Development	Training & Admin Support savings	85	85	0	
Finance & Assets	Finance & Assets savings - various	612	542	70	Unit 7 rental
Total Savings		1,584	1,360	109	

6. Capital Forecasts

The capital programme for 2013/14 is £2.459m which together with a number of carry forward schemes totals £3.742m.

Project Name	Original Budget 2013-14	Agreed 12-13 Carry Forwards Executive	Revised Budget 2013-14	Actual Year to Date	Commitments 2013-14	Forecast Out-turn 2013/14	Slippage to 2014/15	Year End Variance
Property Portfolio								
Bletchley - M & E Phase 2	0	0	0	12,288	0	24,500	0	24,500
Chesham Roof	0	12,000	42,000	41,698	1,500	43,199	0	1,199
Great Holm - Boiler & Roof	0	100,000	100,000	77,638	1,158	78,796	0	-21,204
High Wycombe Drill Tower	0	58,000	58,000	59,079	2,059	61,138	0	3,138
Environmental Improvements	243,000	0	213,000	158,903	32,301	199,000	0	-14,000
Property Review	940,000	0	940,000	0	0	0	940,000	0
<i>Sub Total</i>	1,183,000	170,000	1,353,000	349,606	37,018	406,633	940,000	-6,367
Fire Appliances & Equipment								
Operational Equipment	135,200	0	135,200	90,411	0	101,000	34,200	0
BA Set Replacement	0	15,371	15,371	13,456	0	13,456	0	-1,915
Operational Vehicles	865,000	0	865,000	243	0	243	865,000	243
Environmental Protection Unit	48,000	0	48,000	0	0	0	48,000	0
New Boats	30,000	0	30,000	0	0	30,000	0	0
<i>Sub Total</i>	1,078,200	15,371	1,093,571	104,111	0	144,699	947,200	-1,672
Community Safety								
Smoke Alarms	58,000	0	58,000	53,024	7,526	60,549	0	2,549
Sprinklers	25,000	0	25,000	8,000		8,500	14,000	-2,500
<i>Sub Total</i>	83,000	0	83,000	61,024	7,526	69,049	14,000	49
Support								
ICT	115,000	100,000	215,000	74,269	7,801	99,000	100,000	-16,000
Asset Management System	0	0	69,525	57,984	11,541	69,525	0	0
Staff Cars	0	0	127,658	88,890	51,970	140,860	0	13,202
<i>Sub Total</i>	115,000	100,000	412,183	221,144	71,312	309,385	100,000	-2,798
Control Room Project								
Control Room	0	800,000	800,000	0	0	0	800,000	0
TOTAL	2,459,200	1,085,371	3,741,754	735,884	115,856	929,767	2,801,200	-10,787

Capital Funding

The capital programme will be funded as follows;

Funding Source	£
Capital Grant 2013/14	739,528
Unapplied/Unused Capital Grant 2012-13 Brought forward	51,714
Transfer from RCCO Reserve	0
Vehicle Replacement Reserve	69,000
Asset Management Reserve	69,525
Total Funding	929,767

Property Portfolio

The Bletchley fire station project has overspent against the agreed budget due to additional work on the replacement of windows and repairs to the telephone-communication network carried out which were not originally planned. The budget holder has identified underspends elsewhere in the property capital programme and has requested a virement to cover the overspend.

The High Wycombe drill tower scheme is now complete with the outstanding retention fee due to be paid next financial year included within the forecast outturn figure. The project has overspent against the agreed budget due to additional brickwork required to complete the drill tower which cost £8k. Chesham roof was temporarily fixed in 2012, however after inspection it was recommended that the roof be replaced. The roof contract for Chesham fire station was completed in October with the additional cost funded by underspends identified within other property schemes.

The Environmental Improvements budget consists of two schemes; LED and roof mounted PV systems. The LED tender was awarded in July and the contractor commenced work in August with all installations completed by September. The PV systems installation was completed at headquarters in October and installations are currently being carried out in Broughton and then Winslow stations. It is projected that both these schemes will be completed with an underspend as the cost came in lower than budgeted. The property review is ongoing and we have made contact with the interested parties to open discussions.

Fire Appliances & Equipment

The contract for the breathing set apparatus is now complete and the transition to the Draeger breathing apparatus sets replacement programme was carried out in May 2013. The majority of the planned expenditure for operation equipment has taken place with some general equipment still to purchase before the end of the financial year. Due to the delay in purchasing the 4X4, the budget allocated for 4X4 equipment will be slipped into next financial year.

The environmental protection unit (EPU) funding has been match funded by the environmental agency and the budget holder has sent the specification to the agency, which has been agreed. Manufacturers have been contacted regarding the specification required and the budget holder has highlighted the difficulty in finding a suitable manufacturer who will produce the chassis for the EPU under Euro 5 emission regulations as Euro 6 will be introduced next year. This is likely to delay the purchase until the end of this financial year or possibly into next year depending on when manufacturers are able to produce the chassis under Euro 6 regulations and provide a cost. The current EPU was transferred to Manchester fire authority as part of the funding agreement with the environmental agency.

The operational vehicles budget is split into two schemes; £565k Aerial replacement scheme and £300k for 4X4 appliances. A paper was submitted to SMT at the start of September requesting a mini competition to take place in order to select suitable supplier for the aerial replacement vehicle. The tender documents received from potential suppliers are currently under review and a decision is due as soon as the analysis is complete. The construction of this vehicle will take approximately 12 months, hence the scheme slipping into next financial year.

The remaining budget will be used to purchase two 4X4 appliances. The authority is part of the Framework Agreement for Light Rescue Pumping Appliances which has been procured by Devon & Somerset Fire and Rescue Service for all UK fire services. Devon and Somerset Fire and Rescue Service displayed a prototype of the vehicle at the Emergency Services show which the budget holder attended in September, however, the framework specification is not for a 4X4 appliance. If the authority decides to go for a 4x4 then it will require a full tender process and cannot use the framework, which will cause a delay in making a purchase. Euro 5/6 regulations will also impact the purchase of this appliance if we do not go with the framework specification and select the 4x4 option instead. A full test was due in November which has now been delayed due to issues relating to the vehicle build. As a result of the delay, it is unlikely a purchase will be made this year leading to the budget being slipped into next financial year.

The new boats scheme has had the specification agreed by the end users which is in line with the national requirements for water rescue teams. Invitations to quote were sent to suppliers in November with a submission deadline set in December. All quotes have been received and the budget holder is currently working with procurement to review the quotes and aims to select a supplier in January 2014.

Community Safety

There is a plan to purchase 10,000 smoke alarms during the year to replenish stock and meet the fitting schedule of which most have now been purchased. The smoke alarms scheme is projecting a slight overspend against its original budget which will be offset against the underspend identified within the sprinkler system scheme. The portable domestic sprinkler system was allocated a budget to purchase and install 10 sprinklers, to date only 4 sprinklers have been purchased. Based on demand to date, it is unlikely that there will be a need to purchase additional sprinklers this year, therefore the majority of the remaining budget will be slipped into next financial year.

Support

ICT is currently projecting an underspend of 16k relating to the development of the Bucks Fire website which was originally planned to be capitalised. However this will now be funded through revenue, with the revenue contribution to capital reduced by 16k to cover this. Expenditure relating to the wi-fi infrastructure was lower than planned and reallocated to cover additional spend on the server □virtualisation and other hardware. The majority of the orders relating to network, hardware and software purchases were planned to take place between October and February. However, the work on replacing the telephony system has not progressed as anticipated, and therefore the remaining budget will be slipped into next financial year.

The planned expenditure on staff cars for this financial year relates to five purchases from which three have been purchased. The expected delivery date of the remaining purchases may not be until April 2014, which will require the budget to be slipped into next financial year. Once a delivery date is confirmed, we will be able to confirm if the budget needs to be slipped or if we can make payment this financial year.

Testing for the asset management system took place in Buckingham as part of phase 1 and the system has passed the user acceptance stage. Two individuals have been seconded with the task to visit every station and label all appliances and equipment and update the asset management system. It is estimated that this will be completed by the end of this financial year. Once this is complete, all watches will be trained on how to use the system.

7. Performance Indicators

The table below shows the performance targets and actuals (rolling averages) for the year to date.

Description	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Target	2013/14 Actual (rolling average)
Budget Monitoring Training	35%	100%	95%	90%	78%
Managers accessing SAP Cost Centre Report	76%	100%	86%	100%	83%
% invoices paid within 30 days	97%	100%	97%	98%	98%
Budget Mon. Report turn-around (working days)	44 days	21 days	14 days	8 days	8 days

Budget setting training sessions were attended by 78% of budget holders in September, with a number unable to attend due to their involvement in industrial action contingency planning. There will be further budget monitoring training rolled out to cost centre managers in the coming months, these will be complemented by on-line sessions that have been developed.

The number of managers accessing the SAP cost centre report was 70% in December which is down on the previous two months, bringing the rolling average for the first three quarters of the year to 84%. This remains below the target of 100% and finance will continue to work with all cost centre managers to ensure that this is improved and the target level is reached.

The consistent high level of creditor invoices paid within 30 days continued with 99.6% paid within 30 days in December. This has been consistently high each month April to December and gives a rolling average of 98%, in line with the 2013/14 target.

The budget monitoring report was produced for senior management board in four working days by the finance team. This has brought the average down to eight days which is now in line with the current target. This is a significant improvement on the overall average for 2012/13 of 14 days and every effort is being made by the management accounting team to ensure that this is maintained.

8. Debt Management

The table (below) shows the key Debtor performance figures for the nine months to December;

DEBTOR KEY PERFORMANCE INDICATORS 2013/14	Q1	Q2	Q3
Debts over 60 days overdue	£33,304	£24,454	£14,812
Total Debt outstanding	£115,504	£109,957	£70,576
Debts over 60 days overdue as a % of total debt outstanding	29.8%	23.9%	21.2%
Debts over 60 days overdue as a % of total income to date	1.7%	1.2%	0.7%
Average time from raising invoices to receipt of income	66	73	54

The debtors figures shown above demonstrate a marked improvement over the first three quarters of the year. The average debts over 60 days overdue for quarter three are less than half the average amount for the first quarter of the year. The total debt outstanding has also fallen significantly over the same period. The improvement is due to a targeted effort to improve debt collection performance within the Finance team.

The average time from raising invoices to the receipt of income still remains high. The overall average can vary significantly from one month to the next due to the successful recovery of older debtors.

9. Virements

The table below shows in summary the virements actioned in this financial year to date on a subjective basis;

Subjective	April 2013 Agreed Plan	Permanent in year virements	Revised base budget	Temporary in year virements	Revised Budget 2013/14
Employees - Direct	21,973,573	176,710	22,150,283	191,524	22,341,807
Employees - Indirect	904,557	1,690	906,247	-1,500	904,747
Premises	1,667,932		1,667,932	174,573	1,842,505
Transport	1,180,879	-85,895	1,094,984	8,610	1,103,594
Supplies and Services	2,147,739	260	2,147,999	37,383	2,185,382
Contingency & Provisions	1,160,128	-191,210	968,918	-229,576	739,342
3rd Party Payments	305,493	10,040	315,533		315,533
Capital Charges	720,000		720,000		720,000
Direct Revenue Financing	1,473,000		1,473,000	-51,000	1,422,000
Transfer to/from Reserve	-1,181,426		-1,181,426		-1,181,426
Grants, Reimbursements & Contributions	-420,390	42,540	-377,850		-377,850
Customer and Client Receipts	-873,835	45,865	-827,970	-130,014	-957,984
Interest Received	-70,000		-70,000		-70,000
Capital Grants Received	0		0		0
Grand Total	28,987,650	0	28,987,650	0	28,987,650

Temporary in-year virements authorised and actioned:

Narrative	From (credit)	To (debit)
Property Management Consultant (£35,000)	Direct Revenue Financing	Employees – direct
Realignment of business & water rates budgets (£576)	Contingency	Premises
Workshop post budget vacancy (£16,380)	Employees – direct	Supplies & Services
General Training budget (£1,500)	Employees – indirect	Employees – direct
Realignment of Property Maintenance budgets (£4,727)	Premises	Supplies & Services
Income from seconded Information Governance post (£24,792)	Employees – direct	Grants, Reimbursements & Contributions
Industrial action costs (£80,000)	Contingency (£25,000)	Employees – direct (£25,000)
	Contingency (£55,000)	Premises (£55,000)
Property related schemes (£149,000)	Contingency (£25,000)	Employees – direct (£25,000)
	Contingency (£124,000)	Premises (£124,000)
Property budget realignment (£276)	Premises	Supplies & Services
Seconded Officers (£105,222)	Customer & client receipts (£96,612)	Employees – direct (£96,612)
	Customer & client receipts (£8,610)	Transport (£8,610)
Website development (£16,000)	Direct Revenue Financing	Supplies & Services

Permanent virements authorised and actioned:

Narrative	From (credit)	To (debit)
Realignment of 2013/14 budget (£28,040)	Customer & client receipts (£10,000)	Employees – direct (£10,000)
	Customer & client receipts (£17,000)	3 rd party payments (£17,000)
	Supplies & Services (£1,040)	3 rd party payments (£1,040)
Treasury Management support costs (Finance SLA/Consultancy) (£5,500)	3 rd Party Payments	Supplies & Services
Treasury Management support costs (Finance SLA/Software) (£2,500)	3 rd Party Payments	Supplies & Services
Fuel Budget realignment (£42,540)	Transport	Grants, Reimbursements & Contributions
RDS retaining fees budgets correction (£161,210)	Contingency	Employees direct
Realignment of fleet budgets (£72,865)	Contingency (£30,000)	Customer & client receipts (£30,000)
	Transport (£42,865)	Customer & client receipts (£42,865)
Finance budget realignment (£1,690)	Supplies & Services (£1,200)	Employees – indirect (£1,200)
	Transport (£490)	Employees – indirect (£490)

Capital virements requiring authorisation;

From/To	Cr/Dr	Subjective		Approval Needed	
		Purchase of Equipment	General Maintenance (Capital)	SMB	Executive
Bletchley - M & E Phase 2	Dr		24,500	Y	Y
Environmental Improvements	Cr	-14,000			
Great Holm - Boiler & Roof	Cr		-10,500		
<i>Use of underspend on Environmental Improvements and Great Holm projects to fund additional works at Bletchley</i>					