

## 1. Provisional Revenue Outturn by Service Area

**Table 1** The gross budget of £28.8m is compared to the provisional outturn to give a projected year end underspend of £122k (after provisions and transfers to reserves of £1,689k have been accounted for).

Directorate	Area Manager	Total Budget	Actual Year to Date	Variance (Pre Adjustments)	Year-end Adjustments	Provisional Outturn	Variance (Post Adjustments)
Corporate Core	Corporate Core	900,610	982,483	81,873	-9,207	973,276	72,666
	Legal & Governance	107,117	94,282	-12,835	0	94,282	-12,835
<b>Corporate Core Total</b>		<b>1,007,727</b>	<b>1,076,765</b>	<b>69,038</b>	<b>-9,207</b>	<b>1,067,558</b>	<b>59,831</b>
Finance & Assets	Finance & Procurement	1,023,949	959,709	-64,240	51,000	1,010,709	-13,240
	Resource Management	2,115,908	2,249,976	134,068	-3,000	2,246,976	131,068
<b>Finance &amp; Assets Total</b>		<b>3,139,857</b>	<b>3,209,685</b>	<b>69,828</b>	<b>48,000</b>	<b>3,257,685</b>	<b>117,828</b>
People & Organisation Development	Training & Development	1,415,780	1,080,304	-335,476	8,000	1,088,304	-327,476
	Operations & Services	727,888	693,613	-34,275	1,000	694,613	-33,275
<b>People &amp; Organisation Development Total</b>		<b>2,143,668</b>	<b>1,773,917</b>	<b>-369,751</b>	<b>9,000</b>	<b>1,782,917</b>	<b>-360,751</b>
Delivery, Corporate Development & Planning	Service Delivery	14,904,024	13,702,786	-1,201,238	299,206	14,001,993	-902,031
	Service Development	2,336,604	2,572,330	235,726	17,000	2,589,330	252,726
	Service Transformation	1,753,436	1,940,553	187,117	1,230,000	3,170,553	1,417,117
<b>Delivery, Corporate Development &amp; Planning Total</b>		<b>18,994,064</b>	<b>18,215,670</b>	<b>-778,394</b>	<b>1,546,206</b>	<b>19,761,876</b>	<b>767,812</b>
Statutory Accounting & Contingency	Capital Charges	1,103,000	1,116,395	13,395	0	1,116,395	13,395
	Direct Revenue Financing	1,290,114	1,290,114	0	0	1,290,114	0
	Contingency	921,169	25,651	-895,518	32,000	57,651	-863,518
	Non Distributed Costs	209,266	303,244	93,978	63,000	366,244	156,978
<b>Statutory Accounting &amp; Contingency Total</b>		<b>3,523,549</b>	<b>2,735,404</b>	<b>-788,145</b>	<b>95,000</b>	<b>2,830,405</b>	<b>-693,144</b>
<b>Total Expenditure</b>		<b>28,808,865</b>	<b>27,011,441</b>	<b>-1,797,424</b>	<b>1,689,000</b>	<b>28,700,441</b>	<b>-108,424</b>
<b>Income Total</b>		<b>-28,808,865</b>	<b>-28,822,440</b>	<b>-13,575</b>	<b>0</b>	<b>-28,822,440</b>	<b>-13,575</b>
<b>NET OUTTURN</b>		<b>0</b>	<b>-1,811,000</b>	<b>-1,811,000</b>	<b>1,689,000</b>	<b>-122,000</b>	<b>-122,000</b>

The key variations are in the following areas:

**People & Organisation Development £370k under** – The underspend in Training & Development relates to a savings initiative designed to meet operational requirements with an alternative staffing model. The initiative was to deliver a staffing reduction of four posts, which has been reflected in the workforce remodeling savings for 2015/16. There are underspends in training and staff welfare budgets, reflecting the centralisation of budgets and review of training needs across the service through appraisals.

**Delivery, Corporate Development & Planning £778k under** – the outturn variance in Service Delivery is predominantly due to the industrial action, vacant posts for on-call and admin staff and membership of the pension scheme being lower than budgeted.

**Statutory Accounting & Contingency £788k 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. Provisions for the pay award and staff restructure pension strain costs have been reflected in the outturn figures.

## 2. Provisional Revenue Outturn by Subjective Heading

**Table 2** shows the budget and provisional outturn for each expenditure subjective heading as at the end of March 2015.

Subjective	Total Budget	Actual Year to Date	Sum of Variance	Year-end Adjustments	Provisional Outturn	Variance
U10 Employees - Direct	21,020,356	20,179,026	-841,330	-79,000	20,100,026	-920,330
U12 Employees - Indirect	1,076,515	895,889	-180,626	0	895,889	-180,626
U22 Premises	1,757,555	1,741,457	-16,098	0	1,741,457	-16,098
U24 Transport	772,939	826,487	53,548	-28,000	798,487	25,548
U30 Supplies and Services	2,391,132	1,915,718	-475,414	39,000	1,954,718	-436,414
U59 Contingency & Provisions	921,169	0	-921,169	349,000	349,000	-572,169
U60 3rd Party Payments	986,860	248,918	-737,942	0	248,918	-737,942
U821 Depreciation and Notional Interest	1,265,114	1,265,114	0	0	1,265,114	0
U83 PWLB & MRP	690,000	703,395	13,395	0	703,395	13,395
U89 Transfer to/from Reserve	-956,737	446,805	1,403,542	1,408,000	1,854,805	2,811,542
U92 Grants, Reimbursements & Contributions	-98,985	-85,286	13,699	0	-85,286	13,699
U93 Customer and Client Receipts	-947,053	-989,430	-42,377	0	-989,430	-42,377
U95 Interest Received	-70,000	-136,653	-66,653	0	-136,653	-66,653
<b>Grand Total</b>	<b>28,808,865</b>	<b>27,011,441</b>	<b>-1,797,424</b>	<b>1,689,000</b>	<b>28,700,441</b>	<b>-108,424</b>

The key variances are explained below:

**Employees £841k under (direct) and £181k under (indirect)** –direct employee related expenditure includes pay, national insurance and pension costs of staff as well as employment agency costs. This underspend relates to industrial action, vacant posts for on-call and admin staff and membership of the pension scheme being lower than budgeted. The underspend in indirect employees is predominantly due to underspends across training and staff welfare budgets.

**Supplies and Services £475k under** – the variance here relates to a number of areas including £150k in operational equipment and protective clothing; £60k in general office expenses across the service; £80k in computer software and hardware budgets and £185k in costs relating to the combined control room project due to the slippage of the project timelines (the project is funded by a grant currently held in a reserve which will also slip to next financial year).

**Transfer to/from reserves £1,400k over** – The budgeted transfers from reserves were for the control room service, which have not been drawn down as the budgeted provision for the slippage has been sufficient to cover the in-year costs.

**Third Party Payments £738k under** – The underspend in third party payments predominantly relates to the slippage of costs in relation to the combined control room project (as detailed above above).

**3. 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

		<b>Total Budget</b>	<b>Actual Year to Date</b>	<b>Provisional Outturn</b>	<b>Projected Year End Variance</b>
A.	Employee Direct Costs	21,020,356	20,179,026	20,100,026	-920,330
B.	Knowledge & Information Services	1,161,442	2,597,883	2,597,883	1,436,441
C.	Fuel Charges	290,152	269,753	269,753	-20,399
D.	Energy/Utilities	277,505	256,396	256,396	-21,109
E.	Employment Agencies/Consultants	117,799	338,266	338,266	220,467

**Key variance explanations:**

**Employee Direct Costs** – variance as indicated in Section 2.

**Knowledge & Information Services** – the variance reflects the transfer to reserves of £1,200k for the business and systems integration project and the retention in reserves of the budgeted transfer for control related ICT costs.

**Employment Agencies/Consultants** - agency staff have covered vacancies in the Finance team as well as supporting KIS, POD and Property projects.

**4. Savings and Efficiencies**

Of the £1,272k savings offered up in the 2014/15 Medium Term Financial Plan, £757k is from operations, £440k from Finance & Assets with the remaining £75k from the People and Organisation Development directorate.

<b>Directorate</b>	<b>Target Saving £000</b>	<b>Forecast Actual Saving £000</b>	<b>Under/ (Over) Recovery £000</b>	<b>Comments</b>
Delivery, Corporate Development and Planning	757	240	517	Control room savings not achieved due to the delayed cutover.
People & Organisation Development	75	75	0	On target
Finance & Assets	440	433	7	Rental savings not achieved in 2014/15
<b>Total Savings</b>	<b>1,272</b>	<b>748</b>	<b>524</b>	

## 5. Provisional Capital Outturn

The capital programme for 2014/15 is £1,282k, which together with a number of carry-forward schemes and in year approvals totals £4,603k.

Project Name	Original Budget 2014-15	Agreed 13-14 Carry Forwards Executive	Virements in Year	Revised Budget 2014-15	Actual Year to Date	Slippage to 2015/16	Year End Variance
Property	550,000	0	0	550,000	325,960	204,496	(19,544)
Property Review	0	940,000	0	940,000	0	940,000	0
<b>Sub Total</b>	<b>550,000</b>	<b>940,000</b>	<b>0</b>	<b>1,490,000</b>	<b>325,960</b>	<b>1,144,496</b>	<b>(19,544)</b>
BA Set Telemetry	174,000	0	0	174,000	0	174,000	0
Operational Equipment	57,150	36,494	0	93,644	37,234	34,200	(22,210)
PPE Uniform	33,200	0	0	33,200	32,814	0	(386)
Operational Vehicles	155,000	913,000	0	1,068,000	585,455	503,000	20,455
<b>Sub Total</b>	<b>419,350</b>	<b>949,494</b>	<b>0</b>	<b>1,368,844</b>	<b>655,504</b>	<b>711,200</b>	<b>(2,140)</b>
Sprinklers	0	14,500	0	14,500	0	0	(14,500)
<b>Sub Total</b>	<b>0</b>	<b>14,500</b>	<b>0</b>	<b>14,500</b>	<b>0</b>	<b>0</b>	<b>(14,500)</b>
ICT	260,000	102,992	24,114	387,106	168,862	55,000	(163,244)
ICT Projects	0	224,000	237,660	461,660	220,517	217,560	(23,583)
Support Vehicles	52,900	0	0	52,900	0	52,900	0
Staff Cars	0	27,766	0	27,766	35,190	0	7,424
<b>Sub Total</b>	<b>312,900</b>	<b>354,758</b>	<b>261,774</b>	<b>929,432</b>	<b>424,569</b>	<b>325,460</b>	<b>(179,403)</b>
Control Room	0	800,000	0	800,000	0	800,000	0
<b>Sub Total</b>	<b>0</b>	<b>800,000</b>	<b>0</b>	<b>800,000</b>	<b>0</b>	<b>800,000</b>	<b>0</b>
<b>Total</b>	<b>1,282,250</b>	<b>3,058,752</b>	<b>261,774</b>	<b>4,602,776</b>	<b>1,406,032</b>	<b>2,981,156</b>	<b>(215,588)</b>

## Capital Funding

The capital programme will be funded as follows:

<b>Funding Source</b>	<b>£</b>
Capital Grant 2014/15	1,190,077
Unapplied/Unused Capital Grant 2013/14 brought forward	215,955
Transfer from RCCO Reserve	0
<b>Total Funding</b>	<b>1,406,032</b>

## Property Portfolio

The Property team was allocated £550k to carry out priority 1 and 2 repairs identified in the property condition survey in 2013. Several stations have had internal and external upgrades carried out this financial year ranging from kit room and ablution upgrades, electrical and boiler upgrades, ceiling repairs and yard repairs.

Slippage of £1,145k is requested, of which £940k is for the property review which is under consideration and will be progressed in 2015/16. £114k of the slippage is for Gerrards Cross, where due to subsidence structural works have been delayed. The matter is currently with insurers. Slippage of £65k is required for Princess Risborough as there was a delay in the work being carried out due to unforeseen circumstances and it is likely to be completed in the first quarter of 2015/16.

## Fire Appliances & Equipment

BA telemetry equipment purchase was due to be phased over two years whereby £174k was allocated to the 2014/15 budget and £122k allocated to 2015/16. However, the supplier contacted the Authority and advised that they will not be able to meet the deadline for phase one which would have been March 2015 as they will not have all the relevant equipment ready for the install. They have advised the Authority that they anticipate all installs to take place in the first quarter of 2015/16 and therefore the budget holder has requested the £174k budget to be slipped into next financial year.

Slippage of £34k is requested for operational equipment, as it is for equipment for the 4x4 vehicles, which are to be procured in 2015/16.

Slippage of £503k is requested for vehicles. Of this £300k is for 4x4 vehicles. As part of the MTFP planning, it was agreed by Members that the appliance budget of £300k for the two 4X4 appliances will slip into next year with the Service looking to go through a full OJEU process to procure the appliances. If the OJEU route is taken, it is anticipated that the delivery of the appliances will be pushed back into the first quarter of 2016/17, although some interim payments will be made in 2015/16. The contract for the Environmental Protection Unit (EPU) was awarded in December 2014 and the supplier estimated a build time of 13 weeks. However there have been

delays with the manufacturer and the supplier has not been able to deliver in 2014/15. Consequently, £48k is requested as slippage into next year. The remaining slippage of £155k is for the incident command unit, for which the order has been placed, but delivery has not been taken in 2014/15.

### **Community Safety**

A budget of £15k was slipped from last year to fund the purchase of several portable sprinklers. However due to the zero uptake to date, it is unlikely there will be further purchases this year as we currently have two portable sprinklers in stock. Therefore the budget has been returned leading to a £15k underspend.

### **Support**

ICT expenditure has this year has mainly related to the replacement of hardware as part of the on-going replacement programme and the purchase of several demountable mobile data terminals for the whole-time appliances. The majority of the underspend of £163k relates to the telephony budget being returned and a new bid submitted for 2015/16. In addition, the service desk software was originally planned to be capitalised, however this was funded through revenue with the revenue contribution to capital reduced to cover this. A slippage request for £55k has been made which relates to the delay in installing the virtual desktop environment and the data cables for the servers.

A number of ICT projects (£260k) were approved last financial year and the majority of the budget was slipped due to difficulty in procuring hardware before the 31 March 2014. However all of the hardware has now been procured and installation is complete. In November 2014, a number of additional ICT projects were approved by the Executive Committee to use underspends identified in the revenue budget to bring forward projects identified in the ICT Strategy. However due to the limited resources within the team, these projects have not progressed as anticipated and therefore a slippage against these projects of £218k is requested.

The budget for support vehicles relates to two hydrant vehicles and one fleet vehicle. The order was placed in September 2014 with a lead time of 20 weeks. It is anticipated they will be delivered early in 2015/16 and slippage is requested for £53k.

Part of the budget for staff cars was slipped last year as one vehicle was still due for delivery. The remaining vehicle was delivered in April 2014 and no further commitments are outstanding for this scheme.

### **Control Room Project**

The £800k payment will be made following cut-over to the combined control room. Due to the delay in the project this payment will be slipped to 2015/16.

### **Slippage into 2015/16**

The provisional outturn figure is showing a slippage of £2,981k (subject to any late accounting changes). Members are requested to approve the slippage of this budget into 2015/16.

## 6. Performance Indicators

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

<b>Description</b>	<b>2010/11 Actual</b>	<b>2011/12 Actual</b>	<b>2012/13 Actual</b>	<b>2013/14 Actual</b>	<b>2014/15 Target</b>	<b>2014/15 Actual (rolling average)</b>
Budget Monitoring Training	35.0%	100.0%	95.0%	85.0%	90.0%	100.0%
Managers accessing SAP Cost Centre Report	76.0%	100.0%	86.3%	80.6%	100.0%	74.3%
% invoices paid within 30 days	97.0%	100.0%	97.4%	98.0%	97.7%	99.9%
Budget Mon. Report turn-around (working days)	44 days	21 days	14 days	7 days	8 days	7 days

New cost centre managers are currently given initial budget monitoring training as and when necessary. The Finance team are in the process of streamlining training approaches and creating new on-line e-learning training and guidance sessions that are easily accessible to all managers.

The rolling average for managers accessing SAP is 74.3% which is significantly below the target set of 100%. This reduction is due to a number of managers being involved in planning prior to the periods of industrial action. Finance will continue to work with all cost centre managers to ensure that the performance against this indicator is improved in 2015/16 and the target level is reached. Finance is also introducing a risk based approach to budget monitoring enabling resources to be directed at higher risk services.

The consistent high level of creditor invoices paid within 30 days continued in the fourth quarter delivering a rolling average of 99.9%.

Directorate monitoring reports have consistently been produced and circulated for review to Directors within a seven day rolling average, against the target of eight days for 2014/15.



## 7. Debt Management

The table (below) shows the key Debtor performance figures for the twelve months to March;

<b>DEBTOR KEY PERFORMANCE INDICATORS 2014/15</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Debts over 60 days overdue	£42,779	£96,293	£110,311	£105,208
Total Debt outstanding	£205,968	£162,239	£175,315	£208,190
Debts over 60 days overdue as a % of total debt outstanding	20.9%	60.6%	63.5%	50.7%
Debts over 60 days overdue as a % of total income to date	1.7%	3.5%	3.7%	4.3%
Average time from raising invoices to receipt of income	18	22	19	13

The value of debts over 60 days overdue increased considerably during quarter two, marginally in quarter three and reduced marginally in quarter four. The above figures show the quarterly average, which for quarter 4 is £105,208. The actual value of debts over 60 days overdue as at the end of March 2015 was £91,679. Total debt outstanding as at the end of March 2015 was £214,459.

The vast majority (88%) of the debts over 60 days overdue at the end of the year relate to two invoices.

- Income due for equipment provided to third parties during industrial action (£43k)
- Lease car mileage rebates due (£37k)

The attempted recovery of income relating to equipment loaned out during industrial action is still ongoing. As for lease car mileage rebates, the Authority has received credit notes covering 90% of the rebate due. The credit notes do not match the invoice raised, which means this is currently in dispute between the Authority and vendor.