



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Executive Committee, 13 September 2023

Report title: Budget Monitoring Report April 2023 - July 2023

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming

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Action: Noting

Recommendations:

That the provisional outturn forecast for the Authority as of 31 July 2023 be noted.

Executive summary:

The report in Appendix A sets out the Authority's revenue and capital spending position as at 31 July 2023, together with the projected outturn position for the financial year.

The budget of £36.450m compared to the forecast outturn of £35.749m gives a forecast yearend underspend of £0.701m. Furthermore, the level of funding is showing a favourable variance of £0.024m which has resulted in an overall net underspend of £0.725m against our expenditure budget.

The underspend is predominantly due to a favourable variance being reported under employee costs due to the vacant positions. Furthermore, due to the significant increase in the Bank of England base rate since the budget was approved, the investment returns have been revised upwards and currently projecting at least £0.350m additional interest returns than originally budgeted.

As requested at the meeting of the Executive Committee on 12 July 2023, Appendix B contains details of all property works currently planned across our estate during 2023-24.

Financial implications: As set out in the main body of the report.

Risk management: Management of our financial resources is a key risk to the Authority and the performance reports to Committee inform Members of the main financial risks facing the Authority in year.

Legal implications: None.

Privacy and security implications: None.

Duty to collaborate: None.

Health and safety implications: None.

Environmental implications: None.

Equality, diversity, and inclusion implications: None.

Consultation and communication: None.

Background papers: Medium Term Financial Plan 2022/23 to 2026/27, Fire Authority Meeting 15 February 2023. <https://bucksfire.gov.uk/documents/2023/02/fire-authority-meeting-15-february-2023-item-9b-medium-term-financial-plan-2023-24-2027-28.pdf/> and <https://bucksfire.gov.uk/documents/2023/02/fire-authority-meeting-item-9b-revised-appendices-1-and-2.pdf/>

Appendix	Title	Protective Marking
A	Appendix A – Budget Monitoring Report April 2023 – July 2023 – Q1	None
B	Appendix B – Property Works 2023-24	None

1. Revenue Forecasts by Service Area

Table 1 shows the budget and forecast outturn for each Directorate as at the end of 2023/24 financial year. The budget of £36.450m compared to the forecast outturn of £35.749m gives a forecast yearend underspend of £0.701m. Furthermore, the level of funding is showing a favourable variance of £0.024m which has resulted in an overall net underspend of £0.725m against our expenditure budget.

Table 1

Directorate	Total Budget £	Actual Year to Date £	Forecast Outturn £	Projected Year End Variance £
Corporate Core	1,092,190	423,080	726,450	-365,740
Finance & Assets	6,766,780	3,501,121	6,723,707	-43,073
Human Resources	535,650	179,647	528,025	-7,625
Delivery, Corp. Dev. Planning	24,771,840	7,171,379	24,487,573	-284,267
Statutory Acc. & Contingency	3,283,540	58,660	3,283,540	0
Total Expenditure	36,450,000	11,333,887	35,749,295	-700,705
Total Funding	-36,450,000	-15,086,115	-36,474,386	-24,386
Net Position	0	-3,752,228	-725,091	-725,091

Protection Grant Table 2

Table 2 shows the ringfenced grants received by the Service. In previous years these had been included within Table 1, but for 2023-24 onwards are being shown in a separate table to provide additional clarity of reporting.

Protection Grant	Funding £	Actual Year to Date £	Forecast Outturn £	Residual Grant Remaining £
Protection Uplift	-430,216	24,744	185,287	-244,929
Grenfell Uplift	-23,023	0	23,023	0
Total	-453,239	24,744	208,310	-244,929
Net Position	-453,239	-428,495	-244,929	-244,929

Variance by Directorate

Corporate Core £0.366 under – The underspend mainly relates to higher-than-expected investment income as a direct result of the Bank of England base rate increasing significantly over the past year. It is expected, if the base rate continues to rise, this will result in additional returns that will be reflected in future forecasts.

Finance & Assets £0.043 under – The underspend mainly relates to employees not being on top of their pay scales. The utilities have been fixed for 12 months and will cover the period April 2023 to March 2024 which provides a level of certainty in terms of costs in this volatile market.

Delivery, Corporate Development & Planning £0.284m under – The overall underspend for the directorate is primarily due to operational establishment being less than budgeted as seen in table 3. Thirteen recruits in Cohort 7 who started their apprenticeship in October 2022 completed their training and were welcomed into the service at the end of May 2023. Cohort 8 including five recruits started their training in January 2023 and Cohort 9 including sixteen recruits started their training in March 2023. In addition to this, there are several recruitment and engagement initiatives being carried out throughout the year to engage with underrepresented groups and promote the Fire Service. As the service has identified underspends in year, we have taken a proactive approach in re-aligning some of the underspend by giving budget holders the opportunity to submit in-year one-off growth bids to utilise the underspend. Included within this forecast is the expenditure relating to the one-off bids which were approved in May (see Table 3 for details). Based on the current underspends and additional interest being received from investment activities, another opportunity will be given to budget holders to submit one-off bids in August.

Funding - The level of funding exceeded the budget by £0.024m. We are seeing additional funding of £0.009m relating to services grant and £0.115m relating to precept and NNDR as these figures were revised and increased by Buckinghamshire Council after the Fire Authority had set the annual budget. This will be offset by a reduction in our S31 grants which have been reconciled as part of their latest National Non-Domestic Rates collections and has resulted in a net deficit of £0.100m.

Protection Grant

The Protection grant is being reported separately as this is ring-fenced grant for specific purposes which is only approved and allocated in year. Therefore, it makes it difficult to include in the base budget as this grant information is not available until closer to when the funding allocations will be distributed. The grant is predominantly for the Fire Service to increase their protection capability and delivery, aligning with locally agreed integrated risk management plans and risk-based inspection programmes. The funding is made of carried forward funding and we anticipate additional funding to be received in September 2023 and March 2024.

2. Direct Employee Variances

Table 3 shows the breakdown of all the favourable (-) and adverse (+) variances for each sub-heading within the direct employees subjective as at the 31 July 2023:

Subjective	Salary (Including Training costs)	Allowances	NI	Pension	Total
	£	£	£	£	£
Wholetime	-226,856	15,575	115,931	-270,645	-365,995
On-Call	154,287	-286,725	29,671	-68,853	-171,620
Support	-116,356	0	-11,677	-57,344	-185,377
Technicians	16,136	0	3,199	3,897	23,232
Sessional	-620	7,090	405	-274	6,601
Agency	36,353	0	0	0	36,353
Grand Total	-137,056	-264,060	137,529	-393,219	-656,806

Wholetime – Due to leavers and retirees, it is expected that we will be working below establishment levels with the workforce reaching full establishment by September 2023 as illustrated in section 4.

On Call – Underspends predominantly seen within allowances which is based on activity/training in year.

Support Staff – This relates to vacant in year support roles which will be recruited to throughout the year.

Agency Staff – Agency staff have been used to partly cover interim vacancies within support staff roles and this partially offsets the underspend on support staff.

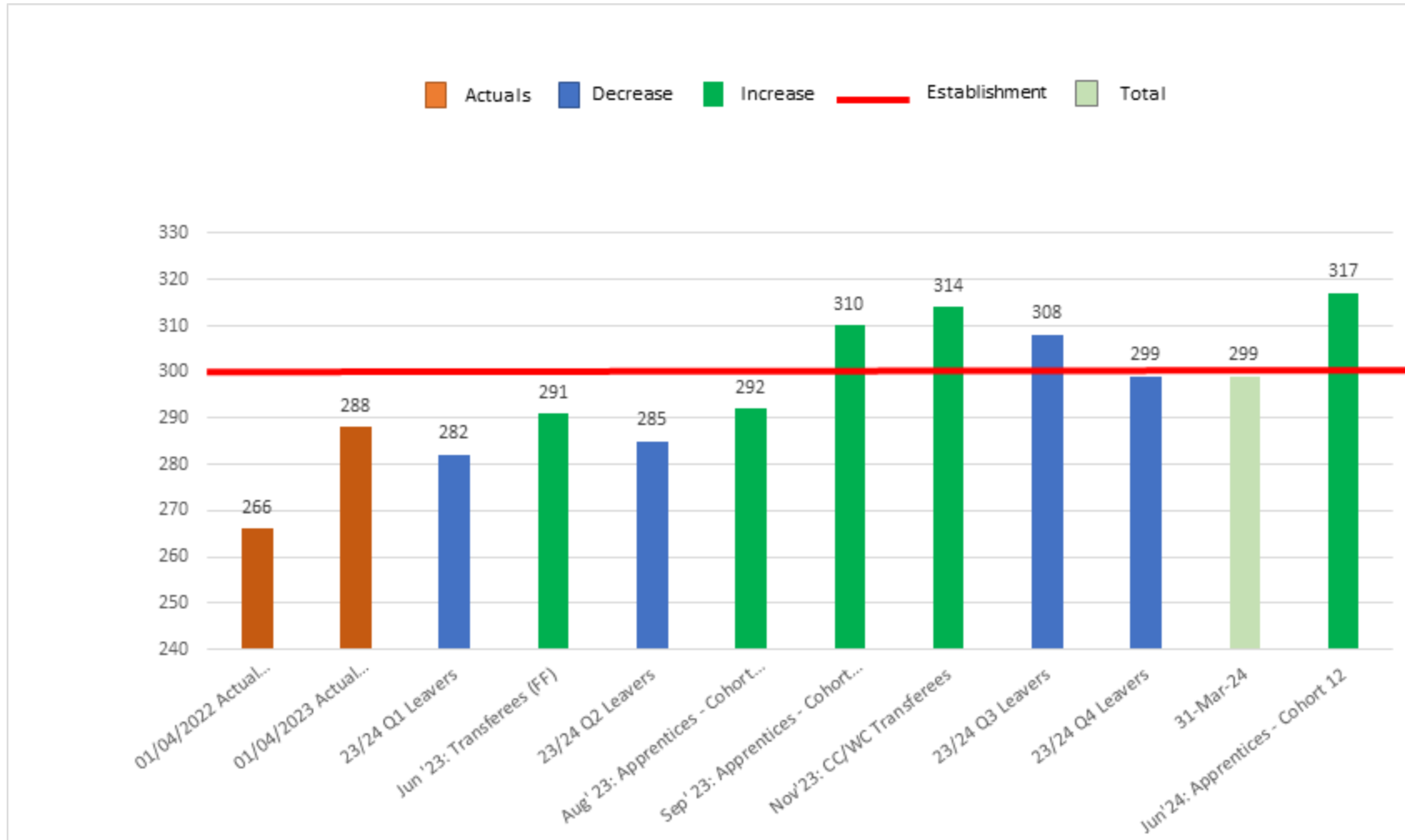
3. In Year Growth Bids

Table 4 shows the total bids approved in May 2023 which total £0.225m and are for one-off projects only. As noted earlier in the report these are included within the forecast expenditure in Table 1 under Delivery, Corporate Development & Planning.

Project	Total Bid £	Q1 Update
Installation of a brake roll tester	36,500	Order has been placed with anticipated delivery and installation due by the end of Q2.
Airwave Device Refresh	12,100	Devices to be procured in the year.
Airwave Contract	70,000	This budget relates to the significant increase in contract cost which will be paid through the year.
Resource to support the delivery of BFRS' Staff Development Pathway project	53,500	Individual commenced role in July.
White Ribbon Accreditation	2,000	Application in progress to achieve White Ribbon accreditation.
Marketing and Communications equipment	5,100	50% of the spend has been spent or committed on Marketing equipment, predominantly camera equipment.
Prevention Events equipment	5,750	Orders to be placed.
NILO Ballistic PPE	8,000	Orders to be placed.
Operational Support Unit Refresh	32,000	Orders to be placed.
Total	224,950	

4. Wholetime Establishment Roadmap

The following graph illustrates the wholetime operational establishment as at 1 April 2022 through to 30 April 2024 taking into consideration projected retirees, leavers, transfers and recruitment of apprentices.



5. Funding

Table 5 details the budget and forecast outturn for each category of funding.

Funding	Total Budget £	Actual Year to Date £	Projected Forecast	Projected Year End Variance £
Government Funding	-3,861,790	-2,574,485	-3,861,790	0
Specific Grants	-1,188,000	-802,408	-1,197,000	-9,000
NNDR	-7,174,055	-2,741,348	-7,111,251	62,804
Top-up Grant	-1,510,155	-543,653	-1,510,155	0
Precept	-25,194,000	-8,424,221	-25,272,190	-78,190
Transfer to Reserves	2,478,000	0	2,478,000	0
Grand Total	-36,450,000	-15,086,115	-36,474,386	-24,386

The level of funding forecast is exceeding the budget by £0.024m. We are seeing additional funding of £0.009m relating to services grant. We are also forecasting an additional £0.115m relating to precept and business rates as these figures were revised and increased by Buckinghamshire Council after the Fire Authority had set the annual budget. Furthermore, following reconciliations of business rates grants by central government, they have revised the funding allocation and identified a deficit of £0.100m which will be deducted from our NNDR funding.

6. Capital Monitoring

Capital Forecast

The capital programme for 2023/24 is £3.337m, including £1.100m from 2022/23 carry forward capital projects.

Project Name	Original Budget 2023/24 £	Carry Forwards 2022/23 £	Revised Budget 2023/24 £	Actuals Year to Date £	Slippage £	Provisional Outturn £	Projected Year End Variance £
Property	1,139,000	249,000	1,388,000	192,212	128,240	1,259,760	0
Total Property Portfolio	1,139,000	249,000	1,388,000	192,212	128,240	1,259,760	0
Hydraulic Equipment	65,000	18,915	83,915	0	0	83,915	0
Operational Equipment	90,000	0	90,000	26,080	0	90,000	0
Operational Red Fleet Vehicles	750,000	560,148	1,310,148	269,436	0	1,383,151	73,003
Operational White Fleet Vehicles	37,000	0	37,000	0	0	37,000	0
BA and Associated Equipment	0	65,460	65,460	2,249	0	65,460	0
Fireground Radios	0	115,000	115,000	0	0	115,000	0
Total Fire Appliances & Equipment	942,000	759,523	1,701,523	297,765	0	1,774,526	73,003
ICT	156,000	91,656	247,656	24,895	0	247,656	0
Total Support	156,000	91,656	247,656	24,895	0	247,656	0
Grand Total	2,237,000	1,100,179	3,337,179	514,873	128,240	3,281,942	73,003

Capital Funding

The capital programme will be funded as follows:

Funding	Balance at 1 April 2023 £000	Estimated Transfers (in) £000	Estimates Transfers Out £000	Estimate Balance at 31 March 2024 £000
Revenue Contribution to Capital	-3,359	-1,870	3,282	-1,947
Other Capital Contributions	0	-3,891	0	-3,891
Total Capital Funding	-3,359	-5,761	3,282	-5,838

Property Portfolio

Property has a capital budget of £1.388m for 2023/24, which includes carry forward budget from 2022/23 of £0.249m. The capital funds will be utilised to carry out planned capital projects as agreed at Business Transformation Board. This includes capital works across several sites following a conditions survey carried out during 2022/23. Furthermore, a business case will be presented in September setting out the plan to exit Unit 7 and relocation of the services provided from this site. The carry forward budget of £0.249m relates to planned capital investments that will now be completed during 2023/24. This includes investment in upgrade to reception main entrance door and capital works at Aylesbury, Broughton, Buckingham, Gerrards Cross, Haddenham, Marlow, Olney and West Ashland, which started in 2022/23 and will be complete in 2023/24. Works on drill towers will be delayed due to the focus being the departure and relocation of the Unit 7 site and capital works on other stations. This has resulted in a slippage identified of £0.128m. A further breakdown of property works has been provided in Appendix B, as requested by Members at the meeting of the Executive Committee on 12 July 2023.

Fire Appliances & Equipment

Fire Appliances & Equipment has a capital budget of £1.702m for 2023/24, which includes carry forward budget from 2022/23 of £0.760m. The capital funds will be utilised to purchase red fleet appliances and to purchase operational equipment for these appliances in line with the fleet strategy. This will also include the purchase of a white fleet vehicle. The carry forward budget of £0.760m relates to delays in the delivery of the two fire appliances and equipment which were due to be delivered in 2022/23, additional equipment for BA and purchase of fire ground radios. There has been an identified price increase in the fire appliances build costs from the manufacturer, and an increase to the cost of equipment resulting in a projected overspend of £73k.

Support

ICT has a capital budget of £0.248m for 2023/24, which includes carry forward budget from 2022/23 of £0.92m. This budget will be utilised for the purchase of ICT hardware equipment, as per the ICT replacement strategy along with replacement of On-Call MDTs, purchase of servers and replacement of station end turnout system. The carry forward budget of £0.91m relates to an agreed change to the ICT capital spend plan, which includes the carried forward capital works of station end turnout system upgrade from 2022/23 into 2023/24.

7. Reserves

The table below shows the provisional movement in reserves during 2023/24.

Reserves	Balance at Start of year £000	Projected Movement £000	Balance at End of Year £000
General Fund	-1,625	0	-1,625
Earmarked Reserves (Revenue)*	-1,937	-2,530	-4,467
Earmarked Reserves (Capital)	-3,359	-2,479	-5,838
Total Reserves	-6,921	-5,009	-11,930

* This figure includes £0.669m, which represents this Authority's share of the joint control room renewals fund (which is held by Oxfordshire).