



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Executive Committee, 15 November 2023

Report title: Budget Monitoring Report April 2023 - September 2023

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance and Assets

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Action: Noting

Recommendations:

That the provisional outturn forecast for the Authority as of 30 September 2023 be noted.

Executive summary:

The report in Appendix A sets out the Authority's revenue and capital spending position as at 30 September 2023, together with the projected outturn position for the financial year.

The budget of £36.450m compared to the forecast outturn of £36.131m gives a forecast yearend underspend of £0.320m. Furthermore, the level of funding is showing a favourable variance of £0.024m which has resulted in an overall net underspend of £0.344m 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 £0.450m additional interest returns higher 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 – September 2023 – Q2	None
B	Appendix B – Property Works 2023-24	None

1. Revenue Forecasts by Service Area – Table 1

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 £36.131m gives a forecast yearend underspend of £0.320m. Furthermore, the level of funding is showing a favourable variance of £0.024m which has resulted in an overall net underspend of £0.344m against our expenditure budget.

Directorate	Total Budget £	Actual Year to Date £	Forecast Outturn £	Projected Year End Variance £
Corporate Core	1,105,850	459,099	630,777	-475,073
Finance & Assets	6,871,860	3,820,105	6,845,734	-26,126
Human Resources	551,100	273,960	570,059	18,959
Delivery, Corp. Dev. Planning	25,617,320	11,506,708	25,784,202	166,882
Statutory Acc. & Contingency	2,303,870	131,200	2,299,870	-4,000
Total Expenditure	36,450,000	16,191,072	36,130,642	-319,358
Total Funding	-36,450,000	-20,932,599	-36,474,386	-24,386
Net Position	0	-4,741,528	-343,744	-343,744

Protection Grant - Table 2

Table 2 shows the ringfenced grants received by the Service. In previous years these funds 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 £	Commitments Full Year £	Forecast Outturn £	Residual Grant Remaining £
Protection Uplift	-430,216	65,122	3,938	133,727	-296,489
Grenfell Uplift	-23,023	0	16,975	23,023	0
Total	-453,239	65,122	20,913	156,750	-296,489

Variance by Directorate

Corporate Core £0.475m 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. Currently we are projecting to overachieve by £0.450m in investment returns which is more than double that we had budgeted. It is expected that the base rate has now either peaked or nearing its peak in the current cycle.

Finance & Assets £0.026m 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.

Human Resources £0.019m over – The overspend mainly relates to higher than budgeted recruitment costs.

Delivery, Corporate Development & Planning £0.167m over – The underspending within the directorate is primarily due to operational establishment being less than budgeted so far this year, and on-call activity being lower than forecast, as seen in table 3. In terms of operational establishment numbers, we have very recently surpassed the 300 budgeted establishment with our operational establishment reaching 314. It is anticipated that this number will fluctuate throughout the year due to anticipated leavers/retirees and establishment numbers are projected to drop closer to 300 by year-end.

As the service has identified underspends in year, the service has 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 and August. A breakdown of these bids is provided in table 3. Including these bids results in a net overspend position for the directorate (although in practice some of the bids relate to other directorates).

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 30 September 2023:

Subjective	Salary (Including Training costs)	Allowances	NI	Pension	Total
	£	£	£	£	£
Wholetime	56,337	12,180	41,636	-249,204	-139,051
On-Call	127,395	-292,229	31,960	-74,247	-207,121
Support	-167,760	0	-25,348	-75,067	-268,175
Technicians	14,274	0	2,019	2,411	18,704
Sessional	-4,000	3,612	1,217	-274	555
Agency	48,818	0	0	0	48,818
Grand Total	75,064	-276,437	51,484	-396,381	-546,270

Wholetime – The operational establishment is expected to be below budgeted levels until September. As at September, the budgeted establishment has surpassed 300 and reached 314 as illustrated in section 4. Due to projected leavers and retirees, it is anticipated the operational establishment will reduce to 300 by the end of the financial year as per the budgeted establishment.

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 and August 2023 which total £0.225m and £0.298m 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.

May 2023

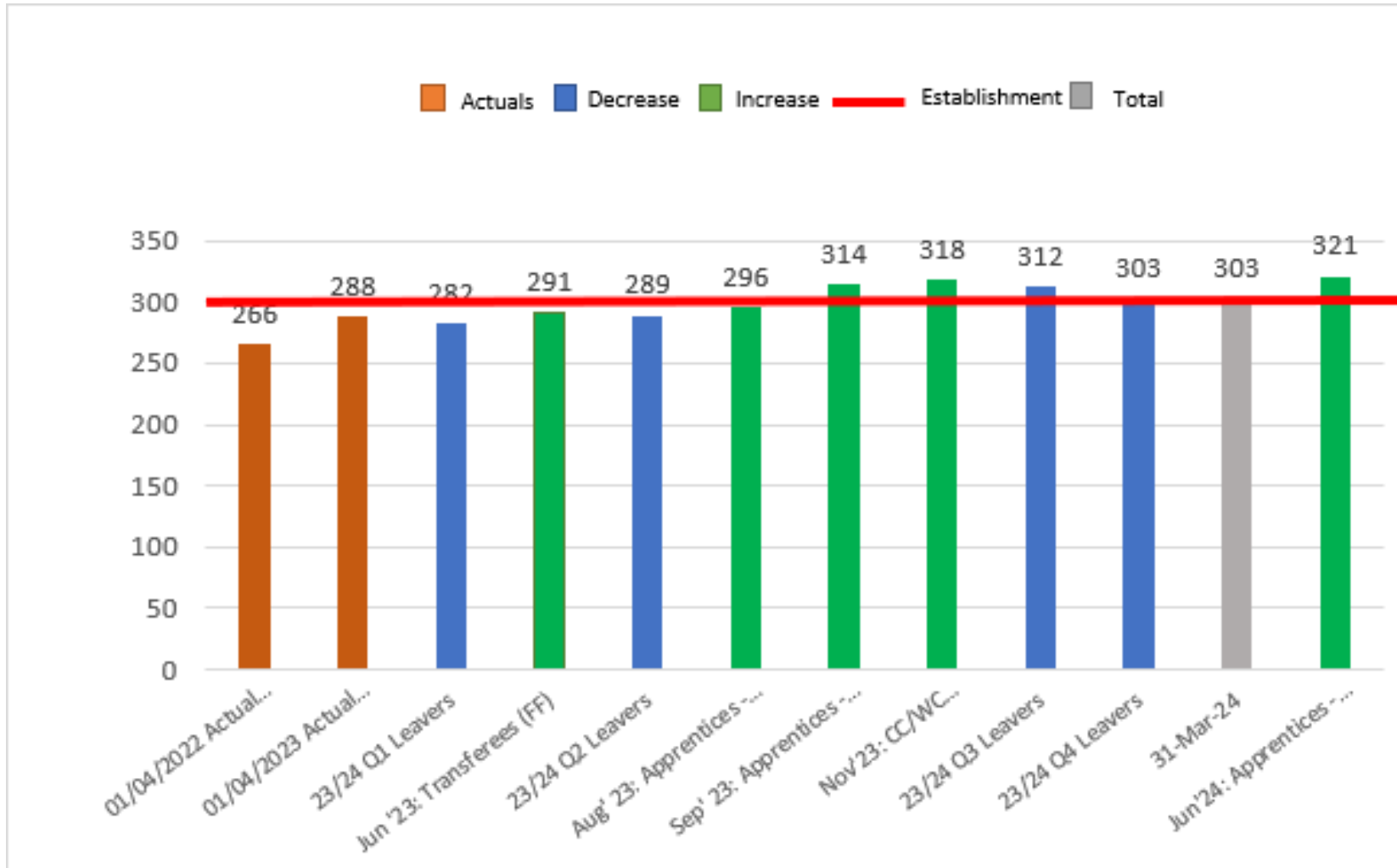
Project	Total Bid £	Comments
Installation of a brake roll tester	36,500	Order placed with delivery due in October.
Airwave Device Refresh	12,100	Orders placed.
Airwave Contract	70,000	This budget relates to the significant increase in contract cost which will be paid throughout the year.
Resource to support the delivery of BFRS' Staff Development Pathway project	53,500	Individual commenced role in July.
White Ribbon Accreditation	2,000	Application approved for White Ribbon accreditation. Purchase of merchandise.
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	

August 2023

Project	Total Bid £	Comments
Purchase of two white fleet vehicles	55,200	Order placed with estimated delivery in April.
Purchase protective base layer PPE.	7,200	Order placed in September.
Purchase multi-purpose PPE, RPE and personal hygiene bags for all operational members of staff	16,200	Specification to be agreed and an order will be placed.
Installation of flagpoles at whole time firestations	10,000	The lead is working closely with property to plan the installation of the flagpoles.
Cleaning provision for BA sets	72,000	Procurement process in place with order to take place in October.
Finance system upgrade	48,600	Order placed.
Speak-up campaign marketing material	3,500	Orders to be placed.
Introduction of welfare packs	4,000	Orders to be placed.
Email management software	9,500	Order placed.
Purchase 13 tablets to support Prevention home fire safety visits	4,200	Orders placed and tablets received in service.
To purchase 9 stations ends to replace windows 7 devices at our on call stations	67,400	Order placed.
Total	297,800	

4. Wholetime Establishment Roadmap

The following graph illustrates the wholetime operational establishment as at 1 April 2022 through to 30 June 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 £	Provisional Year End Forecast £	Projected Year End Variance £
Government Funding	-3,861,790	-2,574,485	-3,861,790	0
Specific Grants	-1,188,000	-685,247	-1,197,000	-9,000
NNDR	-7,174,055	-4,492,883	-7,111,251	62,804
Top-up / Pooling Receipts	-1,510,155	-543,653	-1,510,155	0
Precept	-25,194,000	-12,636,331	-25,272,190	-78,190
Transfer to Reserve	2,478,000	0	2,478,000	0
Grand Total	-36,450,000	-20,932,599	-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 £3.392m, including £1.100m from 2022/23 carry forward capital projects and in year approval of £0.055m.

Project Name	Original Budget 2023/24 £	Carry Forwards 2022/23 £	In Year Funding	Revised Budget 2023/24 £	Actuals Year to Date £	Slippage £	Provisional Outturn £	Projected Year End Variance £
Property	1,139,000	249,000	0	1,388,000	220,954	128,239	1,129,121	-130,640
Total Property Portfolio	1,139,000	249,000	0	1,388,000	220,954	128,239	1,129,121	-130,640
Hydraulic Equipment	65,000	18,915	0	83,915	0	0	83,915	0
Operational Equipment	90,000	0	0	90,000	44,536	0	90,000	0
Operational Red Fleet Vehicles	750,000	560,148	0	1,310,148	572,850	0	1,385,901	75,753
Operational White Fleet Vehicles	37,000	0	55,000	92,000	0	55,000	37,000	0
BA and Associated Equipment	0	65,460	0	65,460	2,750	0	65,460	0
Fireground Radios	0	115,000	0	115,000	0	0	115,000	0
Total Fire Appliances & Equipment	942,000	759,523	55,000	1,756,523	620,135	55,000	1,777,276	75,753
ICT	156,000	91,656	0	247,656	117,604	0	247,656	0
Total Support	156,000	91,656	0	247,656	117,604	0	247,656	0
Grand Total	2,237,000	1,100,179	55,000	3,392,179	958,693	183,239	3,154,053	-54,887

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	-1,925	-398	-5,682
Other Capital Contributions	0	-3,552	3,552	0
Total Capital Funding	-3,359	-5,477	3,154	-5,682

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 expenditure is being 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 was presented to the Executive Committee in September setting out the plan to exit Unit 7 and relocation of the services provided from this site. This resulted in the approval of vacating this site and relocating services by September 2024. The vacating and relocating costs associated with Unit 7 have been revised and will cost significantly less than originally planned which has been reflected in the outturn. Capital works have been completed at Aylesbury, Gerrards Cross, High Wycombe, Marlow, Olney, West Ashland and Winslow. Further works are to be completed at Aylesbury, Beaconsfield, Broughton, Buckingham, Marlow and West Ashland. These works are expected to be completed during 2023/24. Drill towers at Broughton, Buckingham and Newport Pagnell have been upgraded, with works on the remaining drill towers being put on hold. This is 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 of £0.128m. A further breakdown of property works has been provided in Appendix B.

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 three red fleet appliances (orders placed) 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. £0.055m in year funding has been allocated to purchased two additional white fleet vehicles. 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. The two delayed fire appliances from 2022/23 will be delivered in October 2023. 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 £0.075m.

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. Year to date spend on ICT capital equipment includes the purchase of laptops, surfaces and equipment for station end turnout system.

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	-2,323	-5,682
Total Reserves	-6,921	-4,853	-11,774

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