



Report to	North Wales Fire and Rescue Authority
Report no	FRA/2017/09/08
Date	18 September 2017
Lead Officer	Ken Finch - Treasurer
Contact Officer	Sandra Forrest
Subject	Provisional Outturn 2017-2018

PURPOSE OF REPORT

- 1 This report is to provide Members with an estimated provisional outturn for the financial year 2017-2018.

EXECUTIVE SUMMARY

- 2 Current indications are that there will be no underspend and £229,794 of reserves will be needed to support the budget for 2017-2018. During the budget setting process it was estimated that £414,223 of reserves would be required to set a balanced budget. The detailed breakdown is contained in Appendix A, any underspends are shown with a minus (-) sign.

RECOMMENDATION

- 3 That Members note the financial position of the Authority.

BACKGROUND

- 4 The report covers the actual expenditure and income up to the end of August and estimates the expenditure and income up to March 2018.
- 5 Grants that have been awarded in year are detailed within the report and not included in the figures in Appendix A.

INFORMATION

Variances to Budget

Employee Costs

- 6 Overall it is expected that expenditure on pay will come in on budget although there is some movement between the different budget heads within employee costs.

- 7 The current estimate is that there will be an underspend on the wholetime firefighters budget due to potential retirements in year where it is expected that some cover for these posts will be supplied by staff that are employed on WDS rural contracts.
- 8 The additional costs for RDS firefighters takes in to account new staff that have just joined the service following the recent recruitment drive and a change in policy with regards purchasing annual leave.
- 9 For support staff included in the outturn figure are the additional costs for the newly recruited community assistance team. However, these are offset by a number of vacant posts and the savings on the lump sum payment in to the Local Government Pension Scheme due to the planned prepayment of 3 years contributions.
- 10 The cost of training is expected to be higher than the budget set due to the number of new RDS recruits and apprentice positions that have been filled.
- 11 Pension costs are expected to be higher than budget due to the revenue contributions in to the Pension Fund for ill health retirements. If there is an overall budget shortfall then this can be met from the earmarked reserve set aside to cover these additional payments.

Premises

- 12 Overall the premises budget will be overspent by £109k. The significant variances are on the repairs and maintenance budget due to a number of schemes that had been estimated to be part of the capital programme but due to the type of expenditure need to be classified as revenue expenditure. The rates budget now includes the full year costs of the new Wrexham fire station so overall the costs are higher than the original budget.

Transport

- 13 Overall the transport budget is estimated to be underspent by £234k. Current indications are that fuel costs and travel expenses will be less than the original budget due to the reduction in fuel prices and the current activity levels. The Service has also managed to negotiate a reduction in insurance costs for motor vehicles, included under the 'running expenses' budget head, this has contributed over £60k to the underspend.

Supplies

- 14 The overspend on uniforms and laundry relates to the increase in the contract costs for managing PPE and the additional costs of providing uniform and equipment for new staff following the recruitment drive.
- 15 It is currently estimated that there will be an overspend on computer costs. The majority of the overspend is due to the additional costs associated with the new command and control system which was introduced at the beginning of this financial year and continues to be developed to interface with existing IT systems within the organisation.
- 16 The communications budget will be underspent due to a number of factors which include a reduction in the cost of line rentals and mobile phone costs due to changes in the contract arrangements. It is also anticipated that the budget for communications hardware repairs and maintenance will not be fully utilised.

Capital Financing

- 17 The charges to the revenue budget for funding the capital programme are less than budgeted due to the rollover of some projects from 2016-17 to 2017-18. The reduced expenditure in 2016-17 has also meant that there has been less debt to furnish.

INCOME

- 18 Overall it is estimated that income will be slightly lower than the original budget. Income from capital fees has decreased in line with expenditure incurred on the capital programme and the re-alignment of the capital budget. The original budget set included £25k for funding from the Welsh Government for Emergency Planning which is now shown as part of the National Resilience grant. The additional income from sales is due to the income achieved from the disposal of vehicles and equipment as they are replaced or are no longer required.

GRANT INCOME

- 19 The grants that have been awarded so far this financial year are as follows:-
 - Firelink - £415,600 (included in the outturn figures)
 - Arson Reduction Team - £156,464
 - Interventions - £223,300
 - National Resilience Wales - £1,040,000
 - National Resilience Flood Response & Water Rescue - £1,000,000
 - Phoenix - £165,000
 - Local Resilience Forum - £53,142

20 Any additional expenditure incurred by the Authority in order to meet the terms of the grant will be covered by the grant income, this expenditure is not shown in the budget outturn statement.

IMPLICATIONS

Wellbeing Objectives	This report links to NWFRA's long-term well-being objectives. Funding for the service benefits the communities of North Wales and ensures there is sufficient investment in infrastructure to enable the service to provide emergency responses and prevention work well in to the future.
Budget	Budget is set annually in accordance with the proposed service delivery which includes emergency response and prevention work.
Legal	It is a legal requirement that the Authority sets a balanced budget and any deviations are reported to those charged with Governance.
Staffing	None
Equalities/Human Rights/Welsh Language	None
Risks	Income and Expenditure is closely monitored to ensure the Authority has sufficient funds to set a balanced budget. If demands on the service are high over a sustained period then additional funding may be required to maintain service delivery.