

Report to	North Wales Fire and Rescue Authority
Date	17 September 2018
Lead Officer	Ken Finch – Treasurer
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Subject	Provisional Outturn 2018/19



PURPOSE OF REPORT

- 1 This report is to provide Members with an estimate of North Wales Fire and Rescue Authority's provisional outturn for the financial year 2018/19.

EXECUTIVE SUMMARY

- 2 North Wales Fire and Rescue Authority (the Authority) approved a revenue budget of £34.1m at its meeting of 18 December 2017. This included a contribution from reserves of £646,700. As at 31 August 2018 the current forecast is that the full budget allocation will be required including the contribution from reserves. Spending within budget will require ongoing management of a number of cost pressures including those arising from recent increased activity. The detailed breakdown is provided in Appendix A.
- 3 The Authority approved a capital budget of £4.9m in December 2017 which increased to £5.9m to accommodate projects outstanding from 2017/18. The full year capital expenditure forecast is £3.4m, reflecting the re-profiling of the timing of delivery of a number of projects.

RECOMMENDATION

- 4 Members are asked to:
 - (I) note that the Authority is currently forecasting to fully utilise its revenue budget of £34.1m in 2018/19; and
 - (II) note that the Authority is forecasting capital expenditure of £3.4m during 2018/19 against the plan of £5.9m.

BACKGROUND

- 5 This report covers the actual expenditure and income up to the end of August 2018 and estimates the expenditure and income up to March 2019.

- 6 Grants that have been awarded in-year are detailed within this report and have been excluded from the figures in appendix A.

INFORMATION

Variances to Budget

Employee Costs

- 7 Significant pressures are being experienced within this area of expenditure due to recent increases in activity in relation to grass and moorland fires. The costs associated with recent increases in activity are being managed although a full year overspend is forecast.
- 8 The current estimate is that there will be an overspend of £398k for firefighter costs due to recent activity and increased pension costs. The year end projection anticipates that activity levels will stabilise over forthcoming weeks.
- 9 For support staff there is an estimated underspend due to a number of vacant posts.
- 10 The costs of training are expected to be higher than the budget set due to additional costs associated with a new provider of fire safety training.

Premises

- 11 The full year forecast is an overspend of £53k. This reflects additional cost pressures within repairs and maintenance of buildings and energy costs. This increase is partially offset through additional recharges for jointly occupied buildings and this is reflected within income.

Transport

- 12 Overall the transport budget is estimated to be an overspend of £55k due to costs arising from increases in fuel prices and the recent activity levels.

Supplies

- 13 It is currently estimated that the computer cost budget will be overspent due to pressures associated with maintaining essential operational applications and servers. ICT costs are currently subject to review and will be fully considered in the 2019/20 budget setting process.

- 14 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 associated with changes in the contract arrangements and the introduction of the new VoIP (voice over IP) phones.
- 15 An overspend on uniforms and laundry costs is anticipated due to additional costs associated with current activity levels and anticipated recruitment.

Capital Financing

- 16 The charges to the revenue budget for funding the capital programme are less than budgeted because capital receipts (mainly the proceeds from the sale of the former Wrexham Fire Station) were utilised in 2017/18 which has meant a reduction in the financing charges going forward.

INCOME

- 17 Income is forecast to be higher than the original budget. This is mainly due to potential income from a secondment to the Wylfa Newydd project.

GRANT INCOME

- 18 The Authority receives a number of grants which are summarised below:-

Firelink	£415,600
Arson Reduction Team	£156,464
Interventions	£223,300
National Resilience	£233,386
Phoenix	£165,000
Local Resilience Forum	£55,000

- 19 All 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.

CAPITAL PROGRAMME

- 20 The Authority approved a capital programme of £4.9m which increased to £5.9m to accommodate projects outstanding from 2017/18. Appendix B provides a breakdown of schemes and the full year outturn expenditure forecast is £3.4m

- 21 The full year forecast reflects that the timing of a number of projects has been reviewed and the schemes re-profiled into future periods.
- 22 ICT expenditure anticipated in 2019/20 has been brought forward into this financial year. This was necessary to update key operating systems including the mobile data terminals on all fire appliances.

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.