

CHESHIRE FIRE AUTHORITY

MEETING OF: PERFORMANCE AND OVERVIEW COMMITTEE
DATE: 6TH SEPTEMBER 2017
REPORT OF: HEAD OF FINANCE
AUTHOR: WENDY BEBBINGTON

SUBJECT: QUARTER 1 FINANCE REPORT 2017-18

Purpose of report

1. The report provides a summary of the Service's financial performance and details progress against 2017/18 corporate projects.

Recommended that:

- [1] Members note the information presented in this report and request further detail on any matter if required.

Background

2. The Authority's vision, plans, policies, and organisational structures are all focused on ensuring the Service can deliver the improvements in safety outcomes that matter to the communities of Cheshire East, Cheshire West and Chester, Halton and Warrington. On 14th February 2017 the Authority approved the 2017/18 revenue budget of £41.3m together with a 2017/18 capital programme of £1.765m. This Quarter 1 report forms part of the quarterly corporate reporting schedule.

Information

Revenue Budget

3. At this point of the financial year, it is too early to anticipate any significant changes to year-end position. Details of each service area's forecast outturn is set out in Appendix 1. Any significant changes that have been identified are set out below.
4. Although the savings from the Emergency Response Programme were approved within the 2017/18 budget, Members agreed to put a hold on the implementation for Crewe and Ellesmere Port (second pump from whole time to on-call) until a review had been undertaken with reserves being utilised to fund the shortfall. This is reflected within the reserves movements for Service Delivery in Appendix 1.
5. Additional reserves have been allocated to Operational Performance and Assurance of £179k to fund the purchase of hose reels and connectors approved for 2016/17 but delivered in 2017/18.

6. The Head of Property Management's contract was extended under Bluelight Collaboration implementation leading to a small predicted overspend of £17k. Also within Property Management additional reserves of £448k have been applied to fund approved projects delayed until the current financial year.
7. Since the 2017/18 budget was approved, Members have agreed to move to the Living Wage as the minimum pay threshold for all employees including apprentices. This has resulted in a forecast overspend of £64k for People and Development. The funding of this will be reviewed as the year progresses and reported to Members at mid-year.
8. Finally, there has been additional call on reserves for £309k under Finance Resources. The Authority's Green Book employees may join the Local Government Pension Scheme (LGPS) for which the Authority pays employer contributions. The rate of the contribution payable depends on the triennial valuation of the LGPS with the latest valuation being 31 March 2016. To save interest, the Authority has elected to make a lump sum payment to meet the additional contribution requirements arising from this valuation, funded from reserves.

Capital Programme

9. The capital programme is forecasting an overall outturn of £16.1m against an approved budget of £15.4m – a variance of £0.7m. This is broken down to individual projects and schemes in appendix 2.
10. Progress against the Emergency Response Programme (ERP) is nearing completion with all new built stations now finished and the Safety Centre in the final fit-out stage. Only minor fees are outstanding. The overall programme is forecast to be £0.87m above the approved budget of £17.4m, a variance of 5%. The overall overspend on ERP remains within the contingency agreed by Members when they approved the final capital expenditure.
11. The remaining capital programme is progressing with some underspends forecast on appliance and vehicle purchases as set out in appendix 2. Members should note that the Chester Station project is currently on hold and the new Training Facility at Sadler Road is at detailed design stage.

Financial implications

12. This report considers financial matters.

Legal Implications

13. There are no legal implications arising from the report.

Equality and diversity implications

14. There are no equality and diversity implications arising from this report.

Environmental implications

15. There are no environmental implications arising from this report.

BACKGROUND PAPERS: NONE