

CHESHIRE FIRE AUTHORITY

MEETING OF: PERFORMANCE AND OVERVIEW COMMITTEE
DATE: 22ND NOVEMBER 2017
REPORT OF: HEAD OF FINANCE
AUTHOR: WENDY BEBBINGTON

SUBJECT: QUARTER 2 FINANCE REPORT 2017-18

Purpose of report

1. The report provides a summary of the Service's mid-year revenue position and status of projects in the capital programme.

Recommended that: Members note

- [1] the information presented in this report and request further detail on any matter if required; and
- [2] the additional purchase of vehicle stabilisation equipment (£48,000) and a new fleet management ICT system (up to £45,000), which will both be approved by the Senior Management Team through their delegated powers and funded by in year underspends.

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.

Information

Revenue Budget

3. At the Performance and Overview Committee on 6th September 2017, the Quarter 1 Review (June 2017) reported a small forecast overspend of £81k. By the end of September, this Quarter 2 Review is reporting a forecast underspend of £504k. The key areas of change are set out below.
4. Service Delivery £240k underspend

Service delivery is now forecasting a £350k underspend. This is delivered from: on-call pay costs; savings on the ERP2 project team; and the impact on the Cardiac Response Initiative during pay negotiations. These are offset by additional costs relating to Knutsford's change from day crewing to on-call being

delayed until the end of April 2017; on-call staff at Congleton and costs of the on-call availability reward scheme.

5. Protection £102k underspend

Protection is currently going through recruitment and transition to the newly approved structure and savings have accrued within the first half of the year through vacancies.

6. People and Development £107k overspend

The on-going work on Blue Light Collaboration has required additional resources. The backfill of posts together with maternity cover has led to the department running over establishment for a few months contributing to the forecast overspend. In addition, pay costs have increased by £39k due to the impact of the payment of the living wage to apprentices.

7. ICT

The current station end mobilising equipment has now reached the end of its life and will be replaced during 2017/18. This expenditure (£123k) will be contained within existing budget provision.

8. Finally, although the savings from the Emergency Response Programme were approved within the 2017/18 budget, Members agreed to put the changes at Crewe and Ellesmere Port on hold (second appliance from whole time to on-call) until a review had been undertaken. Reserves are being utilised to fund the shortfall. This is reflected within the reserves movements associated with Service Delivery in Appendix 1.

Capital Programme

9. The capital programme is forecasting an overall outturn of £30.109m against an approved budget of £30.125m – a variance of £16k. This is broken down to individual projects and schemes in appendix 2.
10. At Quarter 1 review the capital programme included £0.5m approval for the new Training facility at Sadler Road. Since then, the Fire Authority has approved the scheme and funding of £9.05m is contained in the capital programme.
11. A recent review of the fleet replacement programme has resulted in the replacement of a vehicle being delayed as the current vehicle is still fit for purpose.
12. The Emergency Response Programme, aside from a few outstanding nominal amounts is now complete. The overall programme is forecast to be £0.87m above the approved budget of £17.4m, a variance of 5% (which was the contingency agreed by Members when they approved the final capital expenditure for the programme).

13. Finally, the Chester Station scheme remains on-hold and is subject to a review of options following the withdrawal of the original proposal. Any new proposal will be presented to Members for approval.

Other Issues

14. At mid-year, two new schemes have been identified that require in-year approval. The Senior Management Team through their delegated powers have agreed to the inclusion of the following two items which will be funded from other in year underspends.

Vehicle Stabilisation Equipment £48,000

15. Firefighters currently use a variety of stabilisation techniques when attending road traffic collisions (RTCs). Step blocks and chocks are available on front line appliances which crews utilise to stabilise a vehicle on four wheels. Other items of equipment are available on the MRU located at Winsford to assist with stabilising large vehicles. Crews often attend RTCs where vehicles are not positioned on all four wheels. The current procedure to stabilise such a vehicle is to use fire service ladders as props positioned against the underside of a vehicle, secured by a ratchet strap. The procedure takes a minimum of two persons to set up. While this procedure does work, it is dependent on the use of ladders in a way they were not designed for. Specific equipment that is designed for this purpose is available and is commonly in use by other services. The equipment needs to be placed on 38 appliances.

Fleet Management ICT System £45,000

16. The management of the Service's fleet of vehicles and ancillary items is currently operated through the Agresso system which will not be available once the new system has been set up as part of Blue Light Collaboration. It is still hoped that the new system will replace Agresso in April 2018 so a new fleet management system needs to have been procured and implemented by then. Whilst a good deal of preparatory work has been done it is necessary to move to the formal procurement stage now. Early indications are that a 2017-18 budget of up to £45,000 will be required to facilitate the initial purchase and set up costs. Provision for future annual licencing and maintenance costs will then be included in the annual budget setting process.

Financial implications

17. This report considers financial matters.

Legal Implications

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

Equality and diversity implications

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

Environmental implications

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

BACKGROUND PAPERS:

None

Department	Budget Movement			Net Expenditure/Income			Reserve Movements			Total		
	Original Budget £000	Q1 Adjusts £000	Revised Budget £000	Revised Budget £000	Expected Outturn £000	Variance £000	Revised Budget £000	Expected Outturn £000	Variance £000	Revised Budget £000	Expected Outturn £000	Variance £000
Firefighting & rescue services												
Service Delivery	19,540	0	19,540	20,613	20,335	(278)	(1,073)	(1,035)	38	19,540	19,300	(240)
Operational Policy & Assurance	3,947	0	3,947	4,446	4,449	3	(499)	(543)	(44)	3,947	3,906	(41)
Protection	1,732	0	1,732	1,732	1,637	(95)	0	(7)	(7)	1,732	1,630	(102)
Prevention												
Community Safety	2,045	0	2,045	2,078	2,061	(17)	(33)	(62)	(29)	2,045	1,999	(46)
Safety Centre	397	0	397	397	393	(4)	0	(1)	(1)	397	392	(5)
Support Services												
Executive Management	671	0	671	671	711	40	0	0	0	671	711	40
Property Management	1,539	17	1,556	2,397	2,352	(45)	(841)	(862)	(21)	1,556	1,490	(66)
Finance	437	0	437	437	380	(57)	0	0	0	437	380	(57)
ICT	1,623	0	1,623	1,599	1,602	3	24	24	0	1,623	1,626	3
Legal & Democratic Services	599	0	599	599	604	5	0	(15)	(15)	599	589	(10)
People & Development	1,512	64	1,576	1,913	2,072	159	(337)	(389)	(52)	1,576	1,683	107
Planning, Performance & Comms	1,210	0	1,210	1,210	1,223	13	0	(7)	(7)	1,210	1,216	6
Procurement & Stores	584	0	584	895	905	10	(311)	(311)	0	584	594	10
Fleet Services	1,544	0	1,544	1,572	1,630	58	(28)	(100)	(72)	1,544	1,530	(14)
Unitary Performance Groups	100	0	100	100	100	0	0	0	0	100	100	0
Finance Resources	3,853	(81)	3,772	2,847	2,613	(234)	925	1,070	145	3,772	3,683	(89)
Section 31 / Business Rates Grants etc.	(112)	0	(112)	(112)	(112)	0	0	0	0	(112)	(112)	0
TOTAL	41,221	0	41,221	43,394	42,955	(439)	(2,173)	(2,238)	(65)	41,221	40,717	(504)
Funding												
Council Tax Precept	(26,449)									(26,449)	(26,449)	0
Collection Fund Surpluses (Council Tax)	(360)									(360)	(360)	0
Business Rate Retention Scheme	(9,039)									(9,039)	(9,039)	0
Collection Fund Deficit (Business Rates)	123									123	123	0
Revenue Support Grant (RSG)	(5,496)									(5,496)	(5,496)	0
TOTAL	(41,221)									(41,221)	(41,221)	0
Net Budget / Outturn Variance	0									0	(504)	(504)

Project	Approval Year(s)	Approved Funding £000	Brought Forward £000	2017/18 £000	Total to date £000	Expected Outturn £000	Variance £000	
Emergency Response Programme								
Lymm	2013/14, 2014/15, 2015/16	9,159	8,636	924	9,560	9,859	700	Complete and Operational, some fees still due.
Penketh	2013/14, 2014/15, 2015/16	3,403	3,502	(44)	3,458	3,524	121	Complete and Operational, some fees still due.
Powey Lane (M53/M56)	2013/14, 2014/15, 2015/16	3,523	3,550	(24)	3,526	3,584	61	Complete and Operational, some fees still due.
Alsager	2013/14, 2014/15, 2015/16	1,340	1,326	0	1,326	1,328	(12)	Complete and Operational, some fees still due.
Sub-total		17,425	17,014	856	17,870	18,295	870	
Operational Training Centre Project								
New Training facility - Sadler Road	2016/17	9,050	6	36	42	9,050	0	Detailed scheme approved by CFA 20/9/17
Sub-total		9,050	6	36	42	9,050	0	
Prior Year Schemes								
ICT Review/Server Replacement	2011/12, 2016/17	458	311	0	311	458	0	To be used to fund server and network hardware replacement - timing subject to BLC
Line Rescue Vehicle	2015/16, 2017/18	80	0	0	0	80	0	Higher specification vehicle proposed following review of requirements. Budget bid for 'top-up' £30k approved for 2017-18 Capital Programme. Order placed September 2017.
Appliance Replacement Programme	2016/17	857	339	414	753	755	(102)	4 x Appliances delivered July 2017.
One additional new appliance	2016/17	286	114	138	252	252	(34)	
2 * water incident units	2016/17	154	0	45	45	125	(29)	Vans delivered, Procurement of Boats and Trailers in progress.
2 * cadets vehicles	2016/17	20	0	23	23	23	3	Delivered July 2017.
Support Vehicles	2016/17	60	20	42	62	62	2	1 x Training Van delivered March 17, 2 x Hydrant Vans delivered August 17.
Sub-total		1,915	784	662	1,446	1,755	(160)	
2017/18 Approved Schemes								
Appliance Replacement	2017/18	810	0	320	320	760	(50)	3 x appliances for delivery November 2017.
1 * cadets vehicle	2017/18	23	0	0	0	23	0	Specification under review.
1 * 4 Wheel drive resilience	2017/18	55	0	0	0	55	0	Ongoing.
1 * 4 Wheel drive resilience (freelander replacement)	2017/18	30	0	0	0	0	(30)	Replacement rescheduled, current vehicles still fit for purpose.
Support Vehicles	2017/18	60	0	0	0	60	0	Ongoing.
Replacement Firebike	2017/18	11	0	9	9	9	(2)	Delivered May 2017.
1 * minibus	2017/18	28	0	0	0	28	0	Specification under review.
1 * display unit (chip pan demo unit)	2017/18	25	0	0	0	25	0	Quotes requested.
Server replacement programme	2017/18	49	0	0	0	49	0	Subject to review and BLC.
Chester Station	2017/18	560	0	0	0	0	(560)	Approved Capital Scheme not proceeding. Costs incurred (£3k) funded from Revenue budget.
Capital Contingency	2017/18	84	0	0	0	0	(84)	Contingency funding only.
Sub-total		1,735	0	329	329	1,009	(726)	
TOTAL		30,125	17,804	1,883	19,687	30,109	(16)	