

CHESHIRE FIRE AUTHORITY

MEETING OF: **PERFORMANCE AND OVERVIEW COMMITTEE**
DATE: **28TH FEBRUARY 2018**
REPORT OF: **HEAD OF FINANCE**
AUTHOR: **WENDY BEBBINGTON**

SUBJECT: **QUARTER 3 FINANCE REPORT 2017-18**

Purpose of report

1. The report provides a summary of the Service's three quarter 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.

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. At the 22nd November 2017 meeting, the Quarter 2 Review reported a forecast underspend of £504k, of which £93k was redirected to fund operational equipment and fleet software. At the end of December, the Quarter 3 Review is forecasting a further underspend of £631k, a net overall total for 2017/18 of £961k underspend. The key areas of change since mid-year are set out below.
4. Service Delivery £212k underspend

At the end of December, Service Delivery is forecasting a further £212k underspend. This is made up of on-call pay costs, savings due to officers opting out of pension schemes together with savings on the ERP2 project team and the impact of the suspension of the Cardiac Response Initiative during pay negotiations. The underspend items mentioned above 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 £84k underspend

The Protection department is recruiting and transitioning to the newly approved structure which reported an underspend of £102k at mid year. By the end of December a further £84k underspend is forecast due to pay savings.

6. Planning, Performance and Communications £73k underspend

Savings on pay have been made as a result of a seconded officer not being backfilled for part of the year together with savings in photocopier costs which have been partially offset by printing charges under Bluelight.

7. Fleet Services £74k underspend

The cost of fuel and tyres has been lower than budget providing £22k of savings in year. In addition, the transport costs of £44k associated with the Cardiac Response Initiative have not been utilised while pay negotiations are undertaken. Finally, the sale of an old appliance for dismantling has provided a receipt of £14k, offset by additional costs associated with the new Mersey Gateway.

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. On 14th February 2018, Members agreed to keep the second appliance at Crewe as wholetime. A further review was commissioned on the second appliance at Ellesmere Port on the grounds of efficiency and value for money. The 2018/19 budget already included the use of reserves to fund the shortfall and the financial outcomes of the decisions taken on 14 February 2018 will be built into the 2019/20 budget.

Capital Programme

9. The capital programme is forecasting an overall outturn of £30.03m against an approved budget of £30.13m – a variance of £0.1m. This is broken down to individual projects and schemes in Appendix 2.
10. Although the Emergency Response Programme is showing an overspend, the amount remains within the approved level including contingency. This is offset by underspends on other schemes including the original Chester Fire Station scheme which was cancelled. A revised Chester Fire Station scheme was approved by the Authority on 14th February 2018.

Financial implications

11. This report considers financial matters.

Legal Implications

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

Equality and diversity implications

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

Environmental implications

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

BACKGROUND PAPERS: None