

The report is Not Exempt

The report is for Information

REPORT TO: FIRE AUTHORITY

MEETING DATE: 10 December 2018

SUBJECT: BUDGET OUTTURN FOR THE FINANCIAL YEAR 2017/18

SUMMARY

The report summarises the Revenue and Capital Programme outturn position for the year ended 31st March 2018.

For Revenue, the overall position is an underspend of £346k, this surplus has been transferred to the General Fund Balance. There was no requirement to use £150k from reserves to support the budget. Included in the report is revenue grant funding awarded in year totalling £2.918m.

The Capital Programme recorded expenditure of £4.370m against the amended budget of £5.151m. Slippage for ongoing projects will be rolled forward to 2018/19 where appropriate. Additional projects included in the report relate to capital grant funding of £861k awarded for vehicles and equipment, and Joint Public Service Centre £800k agreed capital contribution for build and £173k for software.

RECOMMENDATIONS:

That the Fire Authority note the contents of the report.

REPORT APPROVAL

Clerk/Monitoring Officer:	Comments: Approved Date: 03.12.18
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Relevant Director:	Comments: Approved Date: 03.12.18
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Section 151 Officer /Treasurer:	Comments: Approved Date: 03.12.18
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Chief Fire Officer/ Deputy Chief Fire Officer	Comments: Approved Date: 03.12.18
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BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:
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Budget Requirement report 2017/18

Treasury Management Strategy Statement

Presenting the Report:	Chris Moore Section 151 Officer
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Report Author(s) and Designation	Sarah Mansbridge Head of Finance
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Date original report written	27/11/2018
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Mae'r Adroddiad Heb ei eithrio

Mae'r Adroddiad ER GWYBODAETH

ADRODDIAD I'R: AWDURDOD TÂN

DYDDIAD Y CYFARFOD : 10
Rhagfyr 2018

TESTUN: CYLLIDEB ALLDRO AR GYFER BLWYDDYN ARIANNOL 2017-18

CRYNODEB:

Mae'r adroddiad yn crynhoi sefyllfa alldro'r Rhaglen Refeniw a Chyfalaf ar gyfer y flwyddyn sy'n dod i ben ar 31 Mawrth 2018.

Ar gyfer Refeniw, mae'r sefyllfa gyffredinol yn un o danwariant o £346 mil, a throsglwyddwyd y gwarged hwn i Falans y Gronfa Gyffredinol. Nid oedd yn ofynnol defnyddio £150 mil o'r cronfeydd wrth gefn i gefnogi'r gyllideb. Wedi'i gynnwys yn yr adroddiad y mae'r arian grant refeniw a ddyfarnwyd yn ystod y flwyddyn, sef cyfanswm o £2.918 miliwn.

Cofnododd y Rhaglen Gyfalaf wariant o £4.370 miliwn mewn perthynas â'r gyllideb ddiwygiedig o £5.151 miliwn. Bydd llithriant ar gyfer prosiectau parhaus yn cael ei gario ymlaen i 2018-19 lle bo hynny'n briodol. Mae prosiectau ychwanegol a gynhwysir yn yr adroddiad yn ymwneud â chyllid grant cyfalaf o £861 mil a ddyfarnwyd ar gyfer cerbydau ac offer, a chyfraniad cyfalaf cytunedig o £800 mil gan y Gyd-ganolfan Gwasanaethau Cyhoeddus ar gyfer adeiladu, ynghyd â £173 miliwn ar gyfer meddalwedd.

ARGYMHELLION:

Bod yr Awdurdod Tân yn nodi cynnwys yr adroddiad.

CYMERADWYO'R ADRODDIAD

Clerc:	Sylwadau: Cymeradwywyd Dyddiad: 03.12.18
Cyfarwyddwr:	Sylwadau: Cymeradwywyd Dyddiad: 03.12.18
Cyllid/Trysorydd:	Sylwadau: Cymeradwywyd Dyddiad: 03.12.18
Prif Swyddog Tân / Dirprwy Brif Swyddog Tân	Sylwadau: Cymeradwywyd Dyddiad: 03.12.18

PAPURAU CEFNDIR A DDEFNYDDIWDYD WRTH BARATOI'R ADRODDIAD HWN:

Adroddiad Gofyniad Cyllideb 2017-18
Datganiad Strategaeth Rheolwyr y Trysorlys

Yn cyflwyno'r Adroddiad:	Chris Moore Swyddog Adran 151
Awdur(on) yr Adroddiad a'u Swyddi	Sarah Mansbridge Pennaeth Cyllid
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	27/11/2018

**FIRE AUTHORITY
10TH DECEMBER 2018
BUDGET OUTTURN FOR THE FINANCIAL YEAR 2017/18**

1 Summary

- 1.1 The report summarises the Revenue and Capital Programme outturn position for the year ended 31st March 2018.
- 1.2 For Revenue, the overall position is an underspend of £346k, this surplus has been transferred to the General Fund Balance. There was no requirement to use £150k from reserves to support the budget. Included in the report is revenue grant funding awarded in year totalling £2.918m.
- 1.3 The Capital Programme recorded expenditure of £4.370m against the amended budget of £5.151m. Slippage for ongoing projects will be rolled forward to 2018/19 where appropriate. Additional projects included in the report relate to capital grant funding of £861k awarded for vehicles and equipment, and Joint Public Service Centre £800k agreed capital contribution for build and £173k for software.

2 National/Wales Position

- 2.1 Considered not relevant.

3 Mid and West Wales Fire and Rescue Service Current Position

- 3.1 **Revenue Outturn** report for the period 1st April 2017 to 31st March 2018 (Appendix A)

The expenditure for the year ending 31st March 2018 compared to the budget shows an underspend of £510k which is offset by the £150k contribution from reserves agreed when the budget was set in February 2017. A net appropriation to earmarked reserves of £14k has been processed for ring-fenced activities (e.g. Young Firefighter cadets, car salary sacrifice scheme). The surplus of £346k has been transferred to the General Fund Balance.

- 3.2 The underspend at the year-end is made up of a number of variations, the most significant being:
- Operational Employees £1.115m underspend due to salary scales set at the top of the salary bands and vacancies.
 - Supplies & Services £1.254m overspend, main contributory factors include Airwave, additional costs of temporary staff, operational equipment, protective clothing, and occupational health.
 - Contribution to Operational Costs and Cost Recovery additional £431k main contributory factor relates to sharing agreements.
 - Capital Financing & Leasing £400k underspend. The budget relates to capital financing charges including loan interest, lease charges and minimum revenue provision. Delays in delivering the capital programme in previous years has resulted in delayed borrowing requirement.

- 3.3 **Capital Programme Outturn report** for the period 1st April 2017 to 31st March 2018 (Appendix B)

The approved capital programme is £5.151m including Firewatch and slippage. Actual expenditure was £4.370m resulting in an underspend of £782k, this will be carried forward to 2018/19 where appropriate.

Explanation for significant project variance:

3.4

- Vehicles and Equipment £732k underspend due to lead-in times. Contracts committed during the financial year but the goods will not be received until after the year-end.

3.5

In accordance with the report to Performance, Audit and Scrutiny Committee 29th January 2018, during the year a £800k contribution to the Joint Public Service Centre was paid to South Wales Police. This sum represented the FRS contribution towards the cost of the refurbishment to the management suite and the joint control room areas; 40 years rent free period for the FRS and the strategic benefits of the collaboration such as interoperability, improvements in co-ordinated response to incidents and intelligence sharing. £173k for Joint Public Service software included in the original business case has also been capitalised. The expenditure has been funded from earmarked reserves.

3.6

Grant Funding received in 2017/18 totalled £2.918m for Revenue and £655k for Capital. An analysis of the grants awarded is included at Appendix C.

3.7

In addition to the £655k capital grant, £236k was brought forward from 2016/17 for water rescue vehicles, and £30k has been carried forward to 2018/19 for Community Risk vehicle. This has resulted in capital grant expenditure of £861k in 2017/18.

3.8

Prudential and Treasury Indicators for the period 1st April 2017 to 31st March 2018 (Appendix D)

3.9

The Treasury Management Governance Arrangement 2017/18 was approved by Fire Authority 6th February 2017. All activity during the financial year was within the approved indicators.

4 **Proposal**

4.1

The report is for information and no proposals are made.

5 **Financial/Procurement Implications**

5.1

Revenue and Capital Programme outturn positions for 2017/18 are as reported in appendices A and B.

6 **Risk Assessment/Legal Implications**

6.1

Considered not relevant, the report is for information only.

7 **Equality and Diversity Including Welsh Language**

7.1

Considered not relevant, the report is for information only.

8 **Human Resource and People Development**

8.1

Considered not relevant, the report is for information only.

9 Information and Communications Technology (ICT)

9.1 Considered not relevant, the report is for information only.

10 Estates

10.1 Considered not relevant, the report is for information only.

11 Service Delivery

11.1 Considered not relevant, the report is for information only.

12 Fire Authority Governance

12.1 The report does not raise issues regarding governance of the Fire Authority.

13 Consultation & Communication

13.1 Considered not relevant, the report is for information only.

14 Evaluation

14.1 Considered not relevant, the report is for information only.

15 Well-being of Future Generations (Wales) Act 2015

15.1 Considered not relevant, the report is for information only.

16 Data Protection and Privacy Issues

16.1 The report does not include personal information concerning individuals.

17 Recommendations

17.1 That the Fire Authority note the contents of the report.

MID AND WEST WALES FIRE AND RESCUE AUTHORITY

REVENUE BUDGET OUTTURN REPORT 2017/18

to 31 March 2018

	2017/18 Approved Budget £	2017/18 Grants Budget £	2017/18 Total Budget £	Revenue Expenditure to 31/03/18 £	Grants Expenditure to 31/03/18 £	Total Expenditure to 31/03/18 £	Forecast (Under) / Over Spend £
Operational							
Employees - Whole Time	20,472,148	550,000	21,022,148	19,347,044	546,767	19,893,811	(1,128,337)
Employees - On Call	6,711,645	0	6,711,645	6,768,161	11,613	6,779,775	68,130
Employees - Other							
Costs	524,873	0	524,873	469,771	110	469,881	(54,992)
Premises	2,211,970	0	2,211,970	1,994,535	0	1,994,535	(217,435)
Transport	1,760,407	0	1,760,407	1,759,915	22,181	1,782,096	21,689
Insurance	753,407	0	753,407	865,662	0	865,662	112,255
Supplies & Services	2,840,813	2,368,450	5,209,263	4,149,243	2,314,195	6,463,438	1,254,175
Gross Operational Costs	35,275,263	2,918,450	38,193,713	35,354,330	2,894,867	38,249,196	55,483
Contribution to Operational Costs	(559,568)	(2,918,450)	(3,478,018)	(734,330)	(2,918,450)	(3,652,779)	(174,761)
Cost Recovery	(419,387)	0	(419,387)	(674,566)	(1,269)	(675,835)	(256,448)
Net Operational Costs	34,296,308	0	34,296,308	33,945,433	(24,852)	33,920,582	(375,726)
Non Operational							
Control	1,143,758	0	1,143,758	1,281,133	0	1,281,133	137,375
Support	5,140,461	0	5,140,461	5,195,476	0	5,195,476	55,015
Manual	227,741	0	227,741	292,219	0	292,219	64,478
Elected Members	54,549	0	54,549	52,302	0	52,302	(2,247)
Central Support	221,419	0	221,419	262,840	0	262,840	41,421
Pensions	726,053	0	726,053	695,811	0	695,811	(30,242)
Net Non Operational Costs	7,513,981	0	7,513,981	7,779,780	0	7,779,780	265,799
Capital Financing & Leasing	3,775,550	0	3,775,550	3,351,062	24,852	3,375,914	(399,636)
Total Authority Expenditure	45,585,839	0	45,585,839	45,076,276	0	45,076,276	(509,563)
Contributions from Constituent Authorities	(45,435,839)	0	(45,435,839)	(45,435,839)	0	(45,435,839)	0
Transfer To/ (From) Reserves	(150,000)	0	(150,000)	13,799	0	13,799	163,799
Total Funding	(45,585,839)	0	(45,585,839)	(45,422,040)	0	(45,422,040)	163,799
Surplus Transferred to General Fund				(345,764)	0	(345,764)	(345,764)

MID AND WEST WALES FIRE AND RESCUE AUTHORITY

CAPITAL PROGRAMME OUTTURN 2017/18

to 31 March 2018

PROJECTS	Approved Capital Programme £	Virements, Additional Resources, & Slippage £	Amended Capital Budget £	Expenditure to 31/03/2018 £	Variance £
LAND AND BUILDINGS					
Minor Works / Steady State Maintenance	400,000	300,000	700,000	739,934	39,934
Northern Area Development	300,000	-300,000	0	0	0
	700,000	0	700,000	739,934	39,934
HYDRANTS & INFRASTRUCTURE	35,000	0	35,000	5,170	-29,830
VEHICLES AND EQUIPMENT					
Computer Equipment	125,000	0	125,000	84,106	-40,894
Vehicles	2,306,000	56,762	2,362,762	1,872,656	-490,106
Vehicles (previously leased)	0	0	0	169,270	169,270
Technical Equipment	249,000	-30,000	219,000	84,666	-134,334
Multifunction PPE	0	372,912	372,912	115,454	-257,458
Breathing Apparatus	950,000	30,000	980,000	975,582	-4,418
Occupational Health Equipment	0	0	0	25,904	25,904
	3,630,000	429,674	4,059,674	3,327,638	-732,036
INTANGIBLE ASSETS					
Fleet Management System	0	60,000	60,000	0	-60,000
Firewatch (T20 Digital)	296,820	0	296,820	296,820	0
	296,820	60,000	356,820	296,820	-60,000
SUB TOTAL	4,661,820	489,674	5,151,494	4,369,562	-781,932
ADDITIONAL PROJECTS					
Vehicles (grant funded)	0	562,236	562,236	562,236	0
Equipment (grant funded)	0	299,213	299,213	299,213	0
Joint Public Service Centre:					
- Software	0	172,512	172,512	172,512	0
- Build contribution	0	800,000	800,000	800,000	0
	0	1,833,961	1,833,961	1,833,961	0
	4,661,820	2,323,635	6,985,455	6,203,523	-781,932
FINANCED BY:					
Borrowing	-4,365,000	-489,674	-4,854,674	-3,884,551	970,123
Capital Receipts	0	0	0	-21,205	-21,205
Earmarked Reserves	-296,820	-972,512	-1,269,332	-1,319,334	-50,002
Grants	0	-861,449	-861,449	-861,449	0
Contributions	0	0	0	-107,184	-107,184
Donations	0	0	0	-9,800	-9,800
	-4,661,820	-2,323,635	-6,985,455	-6,203,523	781,932

**MID AND WEST WALES FIRE AND RESCUE AUTHORITY
GRANTS FOR 2017/18**

APPENDIX C

Grant	Description	Grant Award (All Wales)	Comment	Grant Award (MAWWFRS only)
REVENUE GRANTS		£		£
National Resilience (including USAR)	Funding to provide and maintain a National Resilience capability in Wales	3,195,291	Grant Shared with SWFRS and NWFRS	734,087
Airwave (Firelink)	Welsh Governments contribution towards Firelink in-Service Management fees	592,291	MAWWFRS grant	592,291
JESG (Joint Emergency Services Group)	Funding to provide the services of the Senior Responsible Officer (SRO) as well as support for the JESG Business Change Lead in relation to the Emergency Services Mobile Communications Programme	110,000	Additional funding received from Gwent Police plus £100k from WG	110,000
Arson Reduction	Funding of the Services Community Safety programmes incorporating Arson Reduction	387,018	Grant Shared with SWFRS and NWFRS - managed by MAWWFRS	387,018
Home Safety Equipment	Funding of the Services Community Safety programmes incorporating Home Safety Equipment	971,750	Grant Shared with SWFRS and NWFRS - managed by MAWWFRS	971,750
Youth Engagement	Funding of the Services Community Safety programmes relating to Youth Engagement	386,202	Grant Shared with SWFRS and NWFRS	110,280
Cohesive Communities	Funding of the Services Community Safety programmes relating to Cohesive Communities	42,516	Grant Shared with SWFRS and NWFRS	13,023
	Revenue Grants	5,685,067		2,918,450
CAPITAL GRANTS		£		£
Flood Response and Water Rescue Equipment	Relating to the purchase of Flood Response and Water Rescue equipment in Wales	1,463,590	Grant Shared with SWFRS and NWFRS	625,292
Fire Crime Vehicle	Relating to the purchase of a vehicle for Community Risk	30,000	MAWWFRS grant	30,000
	Capital Grants	1,493,590		655,292

PRUDENTIAL & TREASURY MANAGEMENT INDICATORS 2017/18

External Debt as at 31st March 2018	Operational Boundary	Authorised Limit	Balance B/fwd 1st April 2017 £000s	Debt Repaid £000s	Debt Raised £000s	Actual 31st March 2018 £000s
External Borrowing	22,375	23,603	16,911	-382	0	16,529
Other Long Term Liabilities	9,879	10,503	4,819	-729	0	4,090
Total External Debt	32,254	34,106	21,730	-1,111	0	20,619

Loans Maturity Period as at 31st March 2018	Lower	Upper	Actual £000s	%age
Under 12 months	0%	20%	470	3%
12 months to 2 years	0%	20%	1,321	8%
2 years to 5 years	0%	50%	618	4%
5 years to 10 years	0%	75%	2,655	16%
10 years and above	25%	90%	11,465	69%
			16,529	100%

Investments as at 31st March 2018	Counterparty Limit £000s	Balance B/fwd 1st April 2017 £000s	Repaid £000s	Made £000s	Net Movement £000s	Actual 31st March 2018 £000s
Authority's Banker:						
Barclays Bank	10,000	5,032	0	0	-3,312	1,720
GSIB (Goldman Sachs)	2,000		-2,000	2,000	0	0
Standard Chartered Bank	2,000		-8,000	8,000	0	0
Sumitomo Mitsui	2,000		-6,000	8,000	0	2,000
		5,032	-16,000	18,000	-3,312	3,720

Interest Rate Exposure as at 31st March 2018	Total £000s	Variable £000s	Fixed £000s
Outstanding Loans	16,529	0	16,529
Less Investments	3,720	1,720	2,000
Net Outstanding Principal	12,809	-1,720	14,529
Upper Limit on outstanding principal		5%	120%
Upper Limit		640	15,371