

**The report is Not Exempt**

**The report is for Information**

**REPORT TO: FIRE AUTHORITY**

**MEETING DATE: 04 February 2019**

**SUBJECT: REVENUE AND CAPITAL BUDGET MONITORING REPORT 2018/19 AS AT 30<sup>TH</sup> NOVEMBER 2018**

**SUMMARY**

The report summarises the forecast outturn position for the revenue budget and Capital Programme for 2018/19 as at 30<sup>th</sup> November 2018.

A realignment of the detailed revenue budget for 2018/19 was approved by Fire Authority at the Extraordinary General Meeting (EGM) of 6<sup>th</sup> June 2018. The total approved budget is £46.809m, the forecast outturn is £46.617m, an underspend of £192k.

The Capital Programme for 2018/19 of £7.832m was approved by Fire Authority on 5<sup>th</sup> February 2018. The Capital Programme has been revised to £5.421m as approved by Fire Authority 10<sup>th</sup> December 2018. The forecast outturn is £5.191m an underspend of £230k.

**RECOMMENDATIONS:**

That the report be noted.

**REPORT APPROVAL**

<b>Clerk/Monitoring Officer:</b>	<b>Comments:</b> Approved <b>Date:</b> 28.01.19
<b>Relevant Director:</b>	<b>Comments:</b> Approved <b>Date:</b> 25.01.19
<b>Section 151 Officer /Treasurer:</b>	<b>Comments:</b> Approved <b>Date:</b> 25.01.19
<b>Chief Fire Officer/ Deputy Chief Fire Officer</b>	<b>Comments:</b> Approved <b>Date:</b> 25.01.19

**BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:**

Revenue and Capital Budgets  
Prudential Indicators  
Financial Ledger

Presenting the Report:	Chris Moore S151 Officer
Report Author(s) and Designation	Sarah Mansbridge Head of Finance
Date original report written	21/01/2019

**Mae'r Adroddiad Heb ei eithrio**

**Mae'r Adroddiad ER GWYBODAETH**

**ADRODDIAD I'R: AWDURDOD TÂN | DYDDIAD Y CYFARFOD : 04 Chwefror 2019**

**TESTUN: ADRODDIAD MONITRO CYLLIDEBAU REFENIW A CHYFALAF 2018-19, FEL YR OEDDENT AR 30 TACHWEDD 2018**

**CRYNODEB:**

Mae'r adroddiad yn crynhoi rhagolwg o'r sefyllfa alldro ar gyfer y gyllideb refeniw a'r rhaglen cyfalaf ar gyfer 2018-19, fel yr oeddent ar 30 Tachwedd 2018.

Cafodd ad-drefniad o'r gyllideb refeniw manwl ar gyfer 2018-19 ei gymeradwyo gan yr Awdurdod Tân yn y Cyfarfod Cyffredinol Eithriadol a gynhaliwyd ar 6 Mehefin 2018. Cyfanswm y gyllideb a gymeradwywyd yw £46.809 miliwn, a rhagwelwyd y byddai'r alldro yn £46.617 miliwn, sef tanwariant o £192 mil.

Cafodd y rhaglen cyfalaf o £7.832 miliwn ar gyfer 2018-19 ei chymeradwyo gan yr Awdurdod Tân ar 5 Chwefror 2018. Mae'r Rhaglen Cyfalaf wedi cael ei hadolygu i £5.421 miliwn, fel y'i cymeradwywyd gan yr Awdurdod Tân ar 10 Rhagfyr 2018. Rhagwelir y bydd yr alldro yn £5.191 miliwn, sef tanwariant o £230 mil.

**ARGYMHELLION:**

I nodi yr adroddiad.

**CYMERADWYO'R ADRODDIAD**

<b>Clerc:</b>	<b>Sylwadau:</b> Cymeradwywyd <b>Dyddiad:</b> 28.01.19
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<b>Cyfarwyddwr:</b>	<b>Sylwadau:</b> Cymeradwywyd <b>Dyddiad:</b> 25.01.19
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<b>Cyllid/Trysorydd:</b>	<b>Sylwadau:</b> Cymeradwywyd <b>Dyddiad:</b> 25.01.19
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<b>Prif Swyddog Tân / Dirprwy Brif Swyddog Tân</b>	<b>Sylwadau:</b> Cymeradwywyd <b>Dyddiad:</b> 25.01.19
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**PAPURAU CEFNDIR A DDEFNYDDIWDYD WRTH BARATOI'R ADRODDIAD HWN:**

Cyllidebau Refeniw a Chyfalaf  
Dangosyddion Darbodus  
Cyfriflyfr

Yn cyflwyno'r Adroddiad:	Chris Moore Swyddog A151
Awdur(on) yr Adroddiad a'u Swyddi	Sarah Mansbridge Pennaeth Cyllid
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	21/01/2019

**REPORT TO THE FIRE AUTHORITY  
4 FEBRUARY 2019  
REVENUE AND CAPITAL BUDGET MONITORING REPORT 2018/19  
AS AT 30TH NOVEMBER 2018**

**1 Summary**

- 1.1 The report summarises the forecast outturn position for the revenue budget and Capital Programme for 2018/19 as at 30<sup>th</sup> November 2018.

A realignment of the detailed revenue budget for 2018/19 was approved by Fire Authority at the Extraordinary General Meeting (EGM) of 6<sup>th</sup> June 2018. The total approved budget is £46.809m, the forecast outturn is £46.617m, an underspend of £192k.

The Capital Programme for 2018/19 of £7.832m was approved by Fire Authority on 5<sup>th</sup> February 2018. The Capital Programme has been revised to £5.421m as approved by Fire Authority 10<sup>th</sup> December 2018. The forecast outturn is £5.191m an underspend of £230k.

**2 National/Wales Position**

- 2.1 Considered not relevant.

**3 Mid and West Wales Fire and Rescue Service Current Position**

**3.1 Appendix 1 Revenue Budget Monitoring Report 2018/19 as at 30<sup>th</sup> November 2018.**

- 3.2 The report forecasts an underspend of £192k.

3.3 During the financial year the Service has experienced high spate activity which has impacted on On-Call expenditure. However, this has been offset by an underspend on whole-time firefighters arising from vacancies.

3.4 The forecast outturn for operational employees takes in to account a 14-week course for 12 new recruits. There is also an On-Call recruits course which commenced in January 2019.

3.5 There is an identified pressure of £156k in Transport budget relating to equipment testing and maintenance, and fleet damage. Insurance is showing an underspend of £76k which is available to meet insurance claim excesses. For Support there is a forecast underspend of £199k which is attributable to vacancies.

3.6 It is expected that income from contributions to operational costs and cost recovery will be broadly in line with the budget.

**3.7 Appendix 2 Capital Monitoring Report 2018/19 as at 30<sup>th</sup> November 2018.**

3.8 The Capital Programme was approved at £7.832m by Fire Authority 5<sup>th</sup> February 2018. The revised Capital Programme £5.421m was approved by Fire Authority 10<sup>th</sup> December 2018.

3.9 The forecast outturn as at 30<sup>th</sup> November 2018 is £5.191m. An underspend of £230k.

3.10 In addition to the reported underspend, the Northern Area Development project is under review and may result in further slippage.

### 3.11 **Appendix 3 Grant Funding Approved for 2018/19.**

3.12 All Wales Grants total £3.481m for revenue and £800k for capital. The allocation of grants to Authorities is set out in appendix 3. It is expected that grants will be spent in full and in accordance with terms and conditions.

3.13 MAWWFRS has received four specific revenue grants totalling £1.972m including £1.250m for GovTech Catalyst innovation challenge.

### 3.14 **Appendix 4 Prudential and Treasury Indicators**

3.15 The Treasury Management Governance Arrangement 2018/19 was approved by Fire Authority 5<sup>th</sup> February 2018 and nominated the Resource Management Committee to be responsible for ensuring effective monitoring of the Treasury Management Strategy and policies.

3.16 All activity 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 The projected outturn for revenue is forecast to be £192k underspent. The budget will continue to be closely monitored to ensure pressures are identified at the earliest opportunity and corrective action can be implemented.

5.2 The capital programme is forecasting an underspend of £230k. Projects will continue to be closely monitored and slippage will be rolled over to 2019/20 as appropriate.

## **6 Risk Assessment/Legal Implications**

6.1 Revenue outturn is forecast to be within the approved budget. Pay negotiations are still ongoing at a National level which *could* end in additional pay increases within 2018/19.

## **7 Equality and Diversity Including Welsh Language**

7.1 There are no equality or diversity implications.

## **8 Human Resource and People Development**

8.1 The Human Resources department is aware of the vacancies across the Service.

## **9 Information and Communications Technology (ICT)**

9.1 Considered not relevant report for information only.

## **10 Estates**

10.1 Considered not relevant report for information only.

## **11 Service Delivery**

11.1 Considered not relevant report for information only.

## **12 Fire Authority Governance**

12.1 Under the Constitution, the Resources Management Committee considers the financial aspects of all matters and projects specifically referred to the Committee, monitors income and expenditure during the financial year and reports on such monitoring to the Fire Authority if necessary.

## **13 Consultation & Communication**

13.1 The Finance Team meet with Commands and Departments on a regular basis to review revenue and capital budgets. Monthly budget monitoring reports are presented to the Service Leadership Team and the Executive Leadership Team.

## **14 Evaluation**

14.1 Considered not relevant report for information only.

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

15.1 The revenue budget and capital programme have been set taking into account the Act's sustainable development principle and the five ways of working (Long-term, Integration, Involvement, Collaboration and Prevention).

## **16 Data Protection and Privacy Issues**

16.1 The report does not involve any personal data. There are no General Data Protection Regulation (GDPR) or Data Privacy issues to report.

## **17 Recommendations**

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

<b>Revenue Budget Monitoring 2018/19 Report as at 30<sup>th</sup> November 2018 Mid &amp; West Wales FRS</b>	<b>2018/19 Realigned Budget Overall Total £</b>	<b>2018/19 Forecast Expenditure Overall Total £</b>	<b>2018/19 Forecast Variance Overall Total</b>
<b>Operational</b>			
Employees - Whole Time	19,933,923	19,660,381	-273,542
Employees - On Call	6,824,132	6,952,373	128,241
Employees - Other	603,060	606,168	3,108
<b>Operational Employees</b>	<b>27,361,115</b>	<b>27,218,922</b>	<b>-142,193</b>
Premises	2,221,040	2,291,000	69,960
Transport	1,836,525	1,992,164	155,639
Insurance	695,349	619,436	-75,913
Supplies & Services	3,692,963	3,750,903	57,940
<b>Gross Operational Costs</b>	<b>35,806,992</b>	<b>35,872,425</b>	<b>65,433</b>
Contribution to Operational Costs	-583,231	-583,360	-129
Cost Recovery	-445,000	-458,865	-13,865
<b>Net Operational Costs</b>	<b>34,778,761</b>	<b>34,830,200</b>	<b>51,439</b>
<b>Non Operational</b>			
Control	1,253,197	1,248,529	-4,668
Support	5,646,990	5,447,963	-199,027
Manual	313,899	281,955	-31,944
Elected Members	57,800	57,800	0
Central Support	256,420	291,420	35,000
Pensions	726,053	726,053	0
<b>Net Non Operational Costs</b>	<b>8,254,359</b>	<b>8,053,720</b>	<b>-200,639</b>
Capital Financing & Leasing	3,775,550	3,733,487	-42,063
<b>Total Authority Expenditure</b>	<b>46,808,670</b>	<b>46,617,407</b>	<b>-191,263</b>
Contributions from Constituent Authorities	-46,658,670	-46,658,670	0
Transfer To/From Reserves	-150,000	-150,000	0
<b>Total Funding</b>	<b>-46,808,670</b>	<b>-46,808,670</b>	<b>0</b>
<b>Surplus/Deficit</b>			<b>-191,263</b>

<b>Mid &amp; West Wales Fire &amp; Rescue Service Capital Monitoring Report 30th November 2018 Projects</b>	<b>Approved Capital Programme £</b>	<b>Revised Capital Programme £</b>	<b>Expenditure 30th Nov 2018 £</b>	<b>Commitments 30th Nov 2018 £</b>	<b>Expenditure &amp; Commitments 30th Nov 2018 £</b>	<b>Forecast Expenditure to Year End £</b>	<b>Projected Outturn 2018/19 £</b>	<b>Projected Variance for Year £</b>
<b>Land &amp; Buildings</b>								
Minor Works / Steady State Maintenance	864,000	881,000	386,927	74,324	461,251	419,749	881,000	0
Machynlleth Collaboration Project	600,000	0	0	0	0	0	0	0
Northern Area Development	1,600,000	500,000	2,955	1,920	4,875	495,125	500,000	0
	<b>3,064,000</b>	<b>1,381,000</b>	<b>389,881</b>	<b>76,244</b>	<b>466,126</b>	<b>914,874</b>	<b>1,381,000</b>	<b>0</b>
<b>Hydrants &amp; Infrastructure</b>								
New schemes	<b>35,000</b>	35,000	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>	<b>0</b>
<b>Vehicles &amp; Equipment</b>								
Computer Equipment	376,600	383,761	26,924	0	26,924	280,237	307,161	-76,600
Vehicles	3,155,000	1,742,598	1,250,883	188,227	1,439,109	60,000	1,499,109	-243,489
Vehicles (grant funded)	0	176,110	30,170	25,939	56,110	138,435	194,545	18,435
Vehicles (previously leased)	0	25,361	25,361	0	25,361	0	25,361	0
Technical Equipment	148,000	170,103	20,079	104,686	124,765	34,910	159,675	-10,428
Technical Equipment (grant funded)	0	0	0	0	0	80,000	80,000	80,000
Multifunction PPE	0	257,458	142,602	0	142,602	114,856	257,458	0
Thermal Image Camera	350,000	350,000	0	0	0	350,000	350,000	0
RTC Equipment	157,500	157,500	0	0	0	157,500	157,500	0
ICU Package	230,000	230,000	0	39,713	39,713	190,287	230,000	0
Fireground Radios	300,000	300,000	0	0	0	300,000	300,000	0
Occupational Health Equipment	0	34,096	27,650	0	27,650	0	27,650	-6,446
	<b>4,717,100</b>	<b>3,826,987</b>	<b>1,523,668</b>	<b>358,565</b>	<b>1,882,233</b>	<b>1,706,225</b>	<b>3,588,458</b>	<b>-238,529</b>
<b>Intangible Assets</b>								
HQ Software	15,500	15,500	0	8,995	8,995	15,500	24,495	8,995
Fleet Management System	0	60,000	28,190	29,190	57,380	2,620	60,000	0
T20	0	81,600	81,600	0	81,600	0	81,600	0
Modern.gov		21,000	0	21,000	21,000	0	21,000	0
	<b>15,500</b>	<b>178,100</b>	<b>109,790</b>	<b>59,185</b>	<b>168,975</b>	<b>18,120</b>	<b>187,095</b>	<b>8,995</b>
	<b>7,831,600</b>	<b>5,421,087</b>	<b>2,023,339</b>	<b>493,995</b>	<b>2,517,334</b>	<b>2,674,219</b>	<b>5,191,553</b>	<b>-229,534</b>

Grant Funding Approved 2018-19					
All Wales Grants	Description	Revenue Grant Award	Capital Grant Award	MAWWFRS Allocation	Comment
National Resilience (including New dimensions and USAR)	Funding to provide and maintain a National Resilience capability in Wales	£2,000,000	£800,000	Revenue allocation to be confirmed. £255,000 Capital	New Dimensions managed by NWFRS and USAR managed by SWFRS
Arson Reduction	Funding of the Services Community Safety programmes incorporating Arson Reduction	£369,234		£109,924	Grant managed by MAWWFRS
Home Safety Equipment	Funding of the Services Community Safety programmes incorporating Home Safety Equipment	£670,000		£223,300	Grant managed by MAWWFRS
Youth Engagement	Funding of the Services Community Safety programmes relating to Youth Engagement	£385,473		£112,547	Grant managed by NWFRS
Innovation & Diversification (Momentum)	Funding of the Services Community Safety programmes relating to Innovation & Diversification	£56,000		£15,000	Grant managed by SWFRS
<b>All Wales Grants (to be shared)</b>		<b>£3,480,707</b>	<b>£800,000</b>		

<b>MAWWFRS Grants</b>	<b>Description</b>	<b>Revenue Grant Award</b>	<b>Capital Grant Award</b>	<b>Comment</b>
Airwave (Firelink)	Welsh Government's contribution towards Firelink in-Service Management fees	£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	£100,000		
NESTA – Innovate to Save programme	Grant for Intelligent Management of Fire and Rescue Service Operational Assets	£30,000		R&D project. Proof of concept.
GovTech Innovation Challenge	Instantly deployable tracking system to track the location of firefighters within a building during incidents. <ul style="list-style-type: none"> <li>Phase 1 - Involves research and development contracts being awarded to demonstrate technical feasibility of the proposed project.</li> <li>Phase 2 Involves research and development contracts being awarded to businesses chosen from the successful Phase 1 applicants, to develop a prototype and undertake field-testing.</li> </ul>	£250,000  £1,000,000		R&D project. Proof of concept & prototype development. The project will extend over 2 financial years.
<b>MAWWFRS Grants</b>		<b>£1,972,291</b>	<b>£0</b>	

## Prudential &amp; Treasury Management Indicators 2018/19

<b>External Debt as at 31st Dec 2018</b>	<b>Operational Boundary</b>	<b>Authorised Limit</b>	<b>Balance B/fwd 1st April 2018 £000s</b>	<b>Debt Repaid £000s</b>	<b>Debt Raised £000s</b>	<b>Actual 31st Dec 2018 £000s</b>
External Borrowing	28,300	29,700	16,185	-129	1,000	17,056
Other Long Term Liabilities - Estimate	4,200	4,400	4,124	-	-	4,124
<b>Total External Debt</b>	<b>32,500</b>	<b>34,100</b>	<b>20,309</b>	<b>-129</b>	<b>1,000</b>	<b>21,180</b>

<b>Loans Maturity Period as at 31st Dec 2018</b>	<b>Lower</b>	<b>Upper</b>	<b>Actual £000s</b>	<b>%age</b>
Under 12 months	0%	30%	129	1%
12 months to 2 years	0%	30%	1,240	7%
2 years to 5 years	0%	50%	567	3%
5 years to 10 years	0%	75%	5,655	33%
10 years and above	25%	90%	9,465	56%
			<b>17,056</b>	<b>100%</b>

<b>Investments as at 31st Dec 2018</b>	<b>Counterparty Limit £000s</b>	<b>Balance B/fwd 1st April 2018 £000s</b>	<b>Repaid £000s</b>	<b>Made £000s</b>	<b>Net Movement £000s</b>	<b>Actual 31st Dec 2018 £000s</b>
Authority's Banker:						
Barclays Bank	10,000	1,720	-	-	1,510	3,230
Sumitomo Mitsui	2,000	2,000	-4,000	4,000	-	2,000
Standard Chartered Bank	2,000	-	-2,000	4,000	-	2,000
		<b>3,720</b>	<b>-6,000</b>	<b>8,000</b>	<b>1,510</b>	<b>7,230</b>

<b>Interest Rate Exposure as at 31st Dec 2018</b>	<b>Total £000s</b>	<b>Variable £000s</b>	<b>Fixed £000s</b>
Outstanding Loans	17,056	-	17,056
Less Investments	7,230	-	7,230
Net Outstanding Principal	9,826	-	9,826
Upper Limit on outstanding principal		5%	120%
Upper Limit		491	11,791