

DEVON & SOMERSET FIRE & RESCUE AUTHORITY



REPORT REFERENCE NO.	DSFRA/12/29
MEETING	DEVON AND SOMERSET FIRE AND RESCUE AUTHORITY
DATE OF MEETING	19 DECEMBER 2012
SUBJECT OF REPORT	CHANGE AND IMPROVEMENT PROGRAMME – BUDGET VIREMENT REQUEST
LEAD OFFICER	Treasurer to the Authority
RECOMMENDATIONS	<i>That a budget virement of £284,000, as outlined in paragraph 2.3 of this report, be approved.</i>
EXECUTIVE SUMMARY	<p>Financial Regulations require any request for a transfer (virement) of budget between subjective budget heads in excess of £150,000 to be approved by the full Authority.</p> <p>This report provides details of a request from the Change and Improvement Portfolio Board for £284,000 to fund new priority projects.</p>
RESOURCE IMPLICATIONS	This request can be funded from within existing budgets and subject to approval will still ensure that a significant underspend is presented at year end to assist in meeting budget pressures in 2013 onwards.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	An initial assessment has not identified any equality issues emanating from this report.
APPENDICES	None
LIST OF BACKGROUND PAPERS	None.

1. **BACKGROUND**

- 1.1 This report identifies a request for additional revenue spending of £284,000 in the current financial year to provide further investment funding towards the delivery of key enabling projects identified within the Change and Improvement Programme. Whilst this additional spending can be funded from within the existing revenue budget, it will require a transfer (virement) of budget between subjective budget heads.
- 1.2 The Authority's Financial Regulations require any request for a budget virement between subjective budget heads in excess of £150,000 to be approved at a meeting of the full Authority. Members are asked to approve this request.
- 1.3 Members will be aware of the new way of doing business within the organisation which requires all new project work to be considered and approved through the Change and Improvement Programme. This process ensures that any new project is aligned to our key strategic objectives and will contribute to the need to deliver efficiency savings.
- 1.4 At its last meeting on 27 November 2012, the Service's Change and Improvement Portfolio Board approved, in principle, the next batch of key projects subject to Authority approval of the associated funding. This follows the identification of additional opportunities to deliver against Service Strategic Objectives. These opportunities have been identified in year through planned analysis and exploratory Process Improvement work, and hence were not budgeted for earlier. All these pieces of work are seen as key to enabling the Service to prepare for the future challenges it faces and the delivery of estimated savings of £1m per annum from Service support functions.
- 1.5 Each of these projects will be looking to deliver a more efficient and effective organisation with root and branch reviews of key supporting functions and their supporting processes and systems. These include:
- Estates
 - ICT
 - Stores
 - Operational Asset Management (Fleet).
 - Finance Management Information to support more effective Budget Management
- 1.6 Other projects are focussed on key supporting systems required to deliver more effective management information to support Fire Fighter and Community safety. These include:
- Human Resources and associated integrated systems such as Availability and Training Records.
 - New process and system to support Health & Safety Accident reporting
 - Piloting of recently updated technology infrastructure (SharePoint) to deliver more effective access to our key HR & Community Safety data via electronic means rather than paper.
- 1.7 In addition, the Service is in the process of changing its printer contract to both provide more appropriate facilities to meet current and expected future demands and to reduce contract and on-going operating costs. This will deliver both financial savings and reduce environmental impact.

2. **BUDGET VIREMENT REQUEST**

- 2.1 The Authority is asked to approve the transfer of £284,000 budget from the current year underspend in the Service Revenue budget towards the Change & Improvement budgets in year.
- 2.2 At its last meeting on 18 October 2012, the Resources Committee considered the latest monitoring report on expenditure against the approved budget in the current financial year. This report identified a projected underspend of £1.4m, largely attributable to the instruction given by the Chief Fire Officer and Senior Management Board to all budget holders across the organisation to trim costs wherever possible with a view to reducing their areas of budget responsibility and secure savings wherever possible. It is forecast that savings of £1m will have been identified from this instruction which is available to provide further investment in the Change and Improvement Programme.
- 2.3 It is therefore recommended that the request for additional funding of £284,000 be funded from those budget headings where budget savings have already been secured. Table 1 below provides details of the requested budget virement.

TABLE 1 – REQUEST FOR BUDGET VIREMENT

Budget Line	From £000	To £000	Reason
Equipment and Furniture	(100)		To provide additional investment of £284,000 towards key projects identified by the Change and Improvement Portfolio Board.
Travel and subsistence	(100)		
Capital charges	(84)		
Non-uniformed staff costs		184	
External Fees and Services		100	
TOTAL	(284)	284	

KEVIN WOODWARD
Treasurer to the Authority