

Appendix 3 Resources, Fire & Rescue OSC Management of Financial Risk

Management of Financial Risk

1. Performance against the latest approved revenue budget as measured by the forecast position at the end of the third quarter. Further information and reasons for variances can be found in the Quarter 3 Finance Monitoring Report, presented to Cabinet on 23rd January 2024.

Service Area	Approved Budget	Forecast Spend	(Under) /Overspend	% Change from Budget	Represented by:			
					Investment Funds	Impact on Earmarked Reserves	Remaining Service Variance	% change Remaining Service Variance from Approved Budget
	£m	£m	£m	%	£m	£m	£m	%
Enabling Services	28.658	31.211	2.553	8.90%	1.277	0.081	1.195	4.20%
Finance	17.112	16.769	-0.343	-2.00%	0.4	-0.209	-0.534	(3.10%)
Strategy, Planning & Governance	6.246	7.511	1.265	20.30%	1.771	0	-0.506	(8.10%)
Workforce & Local Services	10.815	11.039	0.224	2.10%	-0.011	0.272	-0.037	(0.30%)
Fire & Rescue	25.424	25.525	0.101	0.40%	0	0.18	-0.079	(0.30%)
Total	88.255	92.055	3.800	4.31%	3.437	0.324	0.039	0.00%

2. Performance against the approved savings target as measured by forecast delivery.

At the end of the third quarter, Strategy Planning and Governance and Fire & Rescue are reporting 100% delivery of their saving targets (12 schemes totalling £0.579m). Workforce and Local Services are forecasting a shortfall of 11% on their target of £0.115m, Enabling Services forecasting a 6% shortfall on a target of £0.819m and Finance is forecasting a shortfall of 3% on their target of £0.350m. The total shortfall across the three services is forecast to be £074m.

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3. Performance against the approved capital programme as measured by forecast delays in delivery

Service	Approved 2022-23 capital programme	New projects in year	Net over / underspend	Total capital programme	Budget Reprofile	Delays	Forecast In year capital spend	% Delays
	£m	£m	£m	£m	£m	£m	£m	
Workforce & Local Services	0.511	0.000	0.000	0.511	0.001	0.000	0.512	0.0%
Enabling Services	15.453	0.000	0.000	15.453	0.000	(2.150)	13.303	(13.91%)
Strategy Planning & Governance	0.750	0.000	0.000	0.750	0.000	0.000	0.750	0.0%
Fire and Rescue	5.902	0.000	0.000	5.902	0.196	(0.402)	5.696	(6.81%)
Strategic Infrastructure & Climate change	7.274	0.000	0.000	7.274	0.000	(0.330)	6.944	(4.54%)
Total	29.890	0.000	0.000	29.890	0.197	(2.882)	27.205	

Enabling Services - £2.150m:

- Lillington Academy Conversion to Academy Works (£0.278m) - Delays have been caused by the need to fit a new electrical power unit on site. Works are now delayed until 2024-25.
- Strategic Site Planning applications (£0.382m) - Projected costs in meeting legal obligation to provide a serviced site to the DfE. Certain capital works including demolition are underway and are programmed to be completed this financial year. Other works e.g. bovine remediation are now programmed to be undertaken 24/25.
- Land at Leicester Lane Cublington (£0.475m) - Land returned back to land owner WCC, we are now waiting for a dilapidation report to agree a way forward.
- Maintaining the smallholdings land bank (£0.391m) - Potential opportunities for purchasing land in Q4 are minimal, the budget has therefore been re-profiled into 2024/25.
- Rural Services capital maintenance (£0.273m) - Some of the budget has been reprofiled into the next financial year when works have been scheduled to take place.
- There are a number of other schemes with delays of less than £0.200m each which are detailed in the Annexes A to M of the finance quarterly monitoring report.

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Fire & Rescue - £0.402m:

- Fire & Rescue HQ Leamington Spa - £0.402m - Leamington Headquarters Refurbishment is currently on hold whilst discussions take place and strategic decisions are made.

Strategic Infrastructure and Climate Change - £0.330m:

- Development of Rural Broadband (£0.330m) - Capital charges were reduced in Q2/Q3 with a corresponding decrease in utilisation of grant contribution, due to BT/Openreach adjustments to the build programme and the superfast voucher programme remaining on hold until finalisation of the Project Gigabit procurement. A change request is expected from Openreach in Q4 2023/24 which could result in further reductions in expenditure in Q4. In addition, there has been a reduction of revenue income from consultancy work from BDUK.