

## TAYSIDE FIRE AND RESCUE BOARD

## REPORT BY THE CHIEF FIRE OFFICER AND TREASURER

24 AUGUST 2009

## EXPENDITURE MONITORING 2009/10

**Abstract**

This Report updates Members on the situation regarding the Board's projected Revenue and Capital expenditure for 2009/10 as at 30 June 2009.

**1 RECOMMENDATION**

It is recommended that Members note the contents of this Report which details the financial position of the Fire and Rescue Board as at 30 June 2009.

**2 INTRODUCTION**

A revenue monitoring report detailing the year end projections for each category of expenditure contained within the revenue budget is enclosed as Appendix A and a capital monitoring report is enclosed as Appendix B.

**3 NOTES TO THE REVENUE EXPENDITURE MONITORING REPORT – APPENDIX A****Staff Costs (excluding pensions)**

A projected underspend of £443,762 is forecast.

This underspend is mainly due to estimated staff slippage plus the commencement of not replacing 8 operational posts and related on-costs of around £187,000, the firefighters pay award which was settled below budget and generates a saving of £158,559, reduced Retained activity of £52,000 and reduced overtime payments of £50,000.

There are a number of other minor projected overspends which offset this by £3,797.

**Staff Costs – Pensions/Commutations**

A projected overspend of £303,290 is forecast.

The overspend is mainly due to a projected £111,000 in transfer values which is estimated will be paid out in 2009/10.

In addition to this main factor, monthly pension payments are projected to overspend by £127,639 and commutations payments are projected to overspend by £64,550.

### **Running Costs**

Over the three main categories of Property Costs, Supplies and Services and Transport Costs there are various projected over and underspends that will result in a projected net overspend of £62,628. These can be allocated as follows:

<u>Property Costs</u>	<u>£</u>
Repairs and Maintenance	12,000
Rates	13,674
Miscellaneous Property Costs	(3,637)
<u>Supplies and Services</u>	
Communications Rental	11,000
SLA Costs	13,905
Insurance Premiums	7,709
Equipment	7,000
Miscellaneous Supplies and Services	12,500
<u>Transport Costs</u>	
Miscellaneous Transport Costs	(12,569)
<u>Other Costs</u>	
Third Party Payments	1,046
<b>Total</b>	<b><u>62,628</u></b>

### **Capital Financing Costs**

Perth & Kinross Council, who manage the Board's debt portfolio, are projecting a minor overspend in Capital Financing Costs ("Loan Charges") for 2009/10 of £18,470.

### **Income**

The projected income that will be generated during 2009/10 is estimated to be £79,979 in excess of the budgeted figure. This is mainly due to unbudgeted transfer values received to date of £13,100, seconded officer income of £77,500 in excess of budget, projected H.M.O., licence income in excess of budget by £10,000 and a number of other minor variances totalling £22,420. These are offset by pension contributions projected to be less than those budgeted, by £43,041.

## **4 NOTES TO THE CAPITAL MONITORING REPORT – APPENDIX B**

It is projected that the total expenditure for the year will be approximately £17,685 underspent for 2009/10 although it should be noted that a minimal amount, approximately 7%, of the estimated capital expenditure for the year has been incurred up to 30 June 2009. This is in line with the expenditure trends expected at this time of the year. It is forecast that the full capital grant receivable will be utilised by the end of the year.

## **5 CONSULTATION**

The Clerk has been consulted in the preparation of this Report.

## 6 CONCLUSIONS

### 6.1 Conclusion – Revenue Expenditure

The total projected underspend on the revenue account for the year is £139,353. There is, however an adjustment required to this figure to reflect the shortfall in funding as detailed in Tayside Fire and Rescue Board Report No: FB/09/03. The approved revenue budget for 2009/10 was set at a figure of £165,549 above the level of requisitions from the constituent Councils, therefore it was approved that this amount would require to be funded from a combination of efficiency savings (£145,549) and transfers from the Board's reserves (£20,000). Given the projection as at 30 June 2009 and if the current situation remains at the year end this will result in a total transfer from the Board's reserves of £26,195.

These adjustments to the projected year end position have the following effect:

	2009/10
	£'000
General Fund Balance Brought Forward	1,765
Projected/Budgeted Deficit for Year	(26)
Projected Future Pension Commutations to be Paid From Earmarked Balance	(773)
Projected Uncommitted General Fund Balance Carried Forward	966
Projected Uncommitted Balance as a % of Actual Requisitions Receivable	3.3%

It should be stressed that expenditure, and particularly that relating to pensions and staff costs will be closely monitored and the Board will be kept advised as required.

### 6.2 Conclusion – Capital Expenditure

It is projected that the total capital expenditure for the year will be in line with the total capital funding available. Capital expenditure throughout the year is also carefully planned and monitored as, given the high value of some projects a slight variation in price can result in significant variations in the final cost. It is the intention that the total expenditure for the year will not exceed the total funding available and therefore the Board will not require to incur additional borrowing under the prudential regime.

S Hunter  
Chief Fire Officer

J Symon  
Treasurer

#### Background Papers

No background papers, as defined in section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

Fire and Rescue Headquarters  
DUNDEE



## 2009/10 REVENUE PROJECTION BASED ON LEDGER as at 30 June 2009

SUMMARY		Board Approved Budget £	Projection Projected Outturn £	Variance £
<b><u>Staff Costs</u></b>			13,654,00	
Operational	Wholetime Personnel	13,825,114	0	-171,114
	Wholetime Personnel Overtime	510,000	460,400	-49,600
	Control Staff	865,724	796,290	-69,434
	Retained Personnel	1,959,622	1,907,500	-52,122
Support Staff		2,007,549	1,902,170	-105,379
Other Staff Costs		170,833	174,720	3,887
<b>Total Staff Costs (excluding pensions)</b>		19,338,842	18,895,08	-443,762
Pensions	Monthly Pension Payments	5,439,861	5,567,500	127,639
	Transfer Values	0	111,101	111,101
	Commutations	934,349	998,899	64,550
	Ill Health retirals	397,800	397,800	0
	Other Grants	0	0	0
<b>Total Staff Costs - Pensions/Commutations</b>		6,772,010	7,075,300	303,290
<b>Property Costs</b>		1,283,287	1,305,324	22,037
<b>Supplies &amp; Services</b>		1,606,679	1,658,793	52,114
<b>Transport Costs</b>		777,289	764,720	-12,569
<b>Third Party Payments</b>		3,554	4,600	1,046
<b>Capital Financed from Current Revenue</b>		400,000	400,000	0
<b>Capital Financing Costs</b>		747,726	766,196	18,470
		<b>30,929,387</b>	<b>30,870,01</b>	<b>-59,374</b>
<b>Total Income</b>		-1,696,741	-1,776,720	-79,979
<b>Total Net Expenditure</b>		<b>29,232,646</b>	<b>29,093,29</b>	<b>-139,353</b>
<b>Estimated (Surplus) or Deficit for the Year</b>				<b>-139,353</b>
<b>Amount Required to Underspend to meet Budget Deficit</b>				<b>-165,548</b>
<b>Amount therefore still to be found (Overspend on Budget)</b>				<b>26,195</b>





## APPENDIX B

## TAYSIDE FIRE AND RESCUE BOARD

## Capital Projection as at June 30 2009

<u>Account Code</u>	<u>Description</u>	<u>Approved Budget 2009/10</u> £	<u>Forecast Expenditure 2009/10</u> £	<u>Variance</u> £	<u>Expenditure to Date</u>
80060	Property Improvements/Dignity Facilities	15,000	0	(15,000)	0
80070	Property - Minor Works	50,000	50,000	0	0
80020	Training Facilities	380,000	465,000	85,000	1,064
80090	Fire Engines and Equipment	885,000	709,000	(176,000)	1944
80100	Ancillary Vehicles and Equipment	88,000	88,000	0	0
80120	IT Development	90,000	160,000	70,000	69,205
80140	Hydrants and Operational Equipment	107,000	96,000	(11,000)	43,143
	Unallocated Funding	0	56,091	56,091	0
<b>Total Capital Funded Expenditure</b>		<b>1,615,000</b>	<b>1,624,091</b>	<b>9,091</b>	<b>115,356</b>
<b>Funded By:</b>					
Approved Capital Grant Funding			1,329,671		
Approved Capital Top-Slice Funding			260,000		
Other Capital Grants			0		
Capital Receipts			11,000		
Prev. Years Unutilised Funding			41,105		
<b>Total Capital Funding</b>			<b>1,641,776</b>		
<b>Forecast Capital Expenditure</b>			<b>1,624,091</b>		
<b>Forecast Surplus for the Year</b>			<b>(17,685)</b>		

