

TAYSIDE FIRE AND RESCUE BOARD**REPORT BY THE CHIEF FIRE OFFICER AND TREASURER****23 AUGUST 2010**

EXPENDITURE MONITORING 2010/11**Abstract**

This Report updates Members on the situation regarding the Board's projected Revenue and Capital expenditure for 2010/11 as at 30 June 2010.

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 2010.

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 £125,068 is forecast.

This is mainly due to the expectation that operational overtime will underspend by an estimated £125,000. In addition slippage within these categories of staff will result in an estimated underspend of £43,000. These underspends are offset by projected overspends on Class 1a national insurance contributions of £35,000.

There are a number of other minor projected overspends which amount to £7,932.

Staff Costs – Ill Health/Injury Payments

A projected overspend of £34,230 is forecast.

Under new financial arrangements ill-health pensions and legacy injury payments are to be met from the Board's revenue budget. It is estimated that this category of expenditure will underspend by an estimated £8,270 against budget.

An additional amount is required for charges relating to the continuing payments of all old personal injury pensions (i.e. predating 1 April 2010) from the revenue budget and it is projected that this will overspend by an estimated £42,500.

Running Costs

Over the three main categories of Property Costs, Supplies and Services and Transport Costs there are various projected over spends that will result in a projected net overspend of £83,865. These can be allocated as follows:

<u>Property Costs</u>	£
Rates	25,218
Cleaning Contract	7,980
Utility Costs	21,000
Miscellaneous Property Costs	640
<u>Supplies and Services</u>	
SLA Costs	8,803
Periodicals	3,000
Emergency Catering	4,000
Legal Expenses – Non SLA	1,000
Miscellaneous Supplies and Services	3,750
<u>Transport Costs</u>	
Travel & Subsistence	8,200
Miscellaneous Transport Costs	<u>274</u>
	Total <u>83,865</u>

Capital Financed from Current Revenue

It is not forecast that there will be any variance to the expenditure incurred within this category.

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 2010/11 of £16,621.

Income

The projected income that will be generated during 2010/11 is estimated to be £49,000 in excess of the budgeted figure. This is mainly due to seconded officer income of £40,000 in excess of budget, Rental Income in excess of budget by £6,000 and a number of other minor variances totalling £3,000.

4 NOTES TO THE CAPITAL MONITORING REPORT – APPENDIX B

It is projected that the total capital expenditure for the year will be approximately £36,555 underspent for 2010/11. This estimate is made on the assumption that prospective capital receipts forecast will materialise as expected. It should be noted that approximately 16.18% of the estimated capital expenditure for the year has been incurred up to 30 June 2010. This is in line with the expenditure trends expected at this time 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 £39,352. Given the projection as at 30 June 2010, a transfer would be made to the Board's reserves for this amount.

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

	2010/11
General Fund Balance Brought Forward	1,245,000
Projected / Budgeted Surplus for Year	39,352
Projected Future Pension Commutations to be Paid From Earmarked Balance	(319,000)
Projected Uncommitted General Fund Balance Carried Forward	965,352
Projected Uncommitted Balance as a % of Amount Requisitioned in 2010/11	3.90%

There may be significant savings due to the implementation of lower than budget pay awards in the current financial year. There is a provision within the revenue budget to fund a pay award of up to 1.25%. However, dependent on the outcome of negotiations between COSLA, the employers' organisation and the trade unions some or all of this may no longer be required. Negotiations are still ongoing and it is felt prudent not to assume any savings at this point in time.

It should be stressed that expenditure, and particularly that relating to 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 underspend by an estimated £36,555 against 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 by 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
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APPENDIX A**TAYSIDE FIRE AND RESCUE BOARD****2010/11 REVENUE PROJECTION BASED ON LEDGER as at 30 June 2010**

SUMMARY	Board Approved Budget £	Projection Projected Outturn £	Variance £
Staff Costs			
Wholetime Personnel	13,548,516	13,585,100	36,584
Wholetime Personnel Overtime	500,000	375,000	-125,000
Control Staff	844,310	793,800	-50,510
Retained Personnel	1,946,566	1,958,500	11,934
Support Staff	2,069,921	2,064,390	-5,531
Other Staff Costs	187,045	194,500	7,455
Injury Pensions	106,000	148,500	42,500
Ill Health Capital Equivalent Charges	194,000	185,730	-8,270
Injury Awards	0	0	0
Total Staff Costs Funded by RSG	19,396,358	19,305,520	-90,838
Property Costs	1,284,143	1,338,981	54,838
Supplies & Services	1,848,930	1,869,483	20,553
Transport Costs	766,964	775,438	8,474
Third Party Payments	4,800	4,800	0
Capital Financed from Current Revenue	1,100,000	1,100,000	0
Capital Financing Costs	679,223	695,844	16,621
Total Expenditure	25,080,418	25,090,066	9,648
Income	-297,250	-346,250	-49,000
Total Net Expenditure Funded by RSG	24,783,168	24,743,816	-39,352
Projected Transfer from/(to) Reserves			-39,352

TAYSIDE FIRE AND RESCUE BOARD**Capital Projection as at 30 June 2010**

Description	Approved Capital Plan 2010/11 £	Adjusted Management Budget(based on Funding) £	Forecast Expenditure £
Property Imp / Energy Cons	0	70,000	70,000
Property Minor Works	800,000	957,000	992,000
Fire Engines & Equipment	475,000	475,000	475,000
Ancillary Vehicles & Equip	120,000	115,000	115,000
IT Development	125,000	125,000	125,000
Hydrants & Operational Equip.	160,000	95,000	95,000
Upgrade of Training Facilities	0	0	0
Total Capital Funded Expenditure	1,680,000	1,837,000	1,872,000

Funded By:

Approved Capital Grant Funding	1,331,004
Approved Capital Top-Slice Funding	343,000
Other Capital Grants	157,000
Capital Receipts from Disposal of Assets	40,986
Previous Year's Unutilised Capital Funding b/fwd	36,565
Total Capital Funding	1,908,555
(Surplus)/Deficit for Year	-36,555

