



## **AGENDA ITEM: 11**

### **NORTH WALES FIRE AND RESCUE AUTHORITY**

**15<sup>th</sup> October 2007**

#### **PROVISIONAL OUTTURN 2007-2008**

**Report by Ken Finch,  
Treasurer to the Authority**

#### **Purpose of Report**

- 1.** This report is to provide Members with an estimated provisional outturn for the financial year 2007-2008.

#### **Introduction**

- 2.** Expenditure against budget is monitored closely by Fire and Rescue Service staff and any variances or expected variances are highlighted as soon as they occur so measures can be put in place to ensure there is no financial risk to the Authority. Current indications are that there will be an overspend of £12k. The detailed breakdown is contained in Appendix A, any underspends are shown in brackets ( ).

#### **Variances to Budget**

- 3.** A large proportion of Fire and Rescue Service expenditure is on pay and indications are that, providing there is no increase in activity due to flooding over the winter months, there will be a net underspend on pay. The overspend on wholtime uniform staff is due mainly to the costs of Control Staff being higher than budgeted.



## **Variances to Budget** *(continued)*

This is as a result of the decision to issue permanent contracts in order to retain skilled staff on temporary contracts. The pension costs for the new Firefighters pension scheme are estimated to be less than budgeted due to expected ill health retirements being less than anticipated. The underspend on part time uniformed Staff can mainly be attributed to a reduction in operational activity.

- 4.** The Premises heading shows that utilities are expected to overspend due to higher prices. Expenditure on local taxation is expected to be higher than anticipated due to the expectation that the District Valuer would reduce some of the ratings being more optimistic than was actually the case. The revenue costs for the New Control Room were included in the budget for 2007/2008 but it is anticipated that the move will not take place until the beginning of the new financial year. The savings on the costs of the new Control Room have offset the increase in utilities and local taxation.
- 5.** Under Transport the increased volume of fuel usage has been offset by savings on vehicle insurance.
- 6.** Under the Supplies and Services a number of headings are anticipated to overspend due partly to the increased Fire Safety activity. The Service is also aware of the need to review a number of headings to reflect its current structure and activity levels. As part of the 2008/09 budget setting process it will seek to transfer extra resources from other supply budget lines into those headings which are currently under provided for.



### **Variances to Budget** *(continued)*

- 7.** The cost of Legal Services will be overspent due to work being undertaken by external legal advisors on employee matters.
- 8.** Capital Financing costs are estimated to be less than budgeted due to slippage on the capital programme in 2006/2007.
- 9.** Overall the outturn estimate for income is higher than estimated due mainly to re-imburement of staff costs by the Assembly and other Brigades. Investment income is expected to be less than budgeted due to the decreased level of provisions held by the Authority.

### **Recommendation**

- 10.** To note that the current overspend is estimated to be £12k. It is anticipated that it will be managed internally .There will also be funds available in the Pension Provision to cover any overspend (a report detailing the pension position will be presented to Members at the next Executive Panel)