



AGENDA ITEM: 10

NORTH WALES FIRE AND RESCUE AUTHORITY

23 October 2006

PROVISIONAL OUTTURN 2006-2007

**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 2006-2007.

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 expenditure will be contained within budget and there will be an underspend in the region of £263,919. The detailed breakdown is contained in Appendix A, any underspends are shown in brackets ().

Variations to Budget

3. A large proportion of Fire and Rescue Service expenditure is on pay and indications are that the main area of underspend will be on pay. In previous years a large proportion of the underspend on pay was due to the budget for retained incident fees not being fully utilised due to low activity levels.



Variances to Budget *(continued)*

However, this year it is estimated that due to the high levels of activity during the summer months the budget for incident fees will be fully utilised and may even overspend. The underspend on pay can mainly be attributed to being unable to recruit firefighters onto the retained duty system, for reasons that have previously been reported; savings on day crewing incident fees; and the lag between staff leaving and new staff employed.

4. Current indications are that expenditure on transport will be overspent due to maintenance work being diverted to outside contractors due to long term sickness and increased expenditure on fuel due to the increased activity levels
5. Under the Supplies and Services head the main area of underspend is on computer costs due to levels of expenditure on hardware and software being less than the original estimate. Expenditure on the Geographic Information System will also be underspent due to the maintenance contract being less than estimated and the purchase of software being less than was originally anticipated.
6. Overall the outturn estimate for income is higher than estimated due mainly to income received from a secondment to the Fire Service College that was not in the original budget. Current indications are that sales income will be less than the budget due mainly to the original budget for the sale of vehicles and plant being disproportionately high.



RECOMMENDATION

7. The outturn estimate takes account of activity levels to date and an estimate of future activity levels for the remainder of the year which could change. It is therefore recommended that the projected underspend at this time be noted and consideration of how to deal with the underspend be given when a further report will be submitted to the meeting of the Fire and Rescue Authority in December.