



AGENDA ITEM: 7

NORTH WALES FIRE AND RESCUE AUTHORITY

21 March 2011

PROVISIONAL OUTTURN 2010-2011

Report by Ken Finch, Treasurer

Purpose of Report

- 1 This report is to provide Members with an estimated provisional outturn for the financial year 2010-2011.

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 underspend of £345,782. The detailed breakdown is contained in Appendix A, any underspends are shown with a minus (-) sign.
- 3 The estimated underspend is being managed in year and will be set aside in to a general reserve which will provide some assurance that there are funds available to assist with any unexpected demands on spending in future years.

Variances to Budget

- 4 A large proportion of Fire and Rescue Service expenditure relates to pay and there are indications that there will be a net underspend on pay this year. The non-uniform staff budget will be underspent as some of the additional Community Fire Safety posts which were funded from savings on the ALP posts have not been filled.

- 5 The estimated underspend on retained firefighters is fairly modest at £65k. Members should also be aware that the outturn is based on current activity levels which are relatively low and if there are a number of major incidents over the next month then the underspend on retained firefighters could be considerably less.
- 6 The pensions budget will be overspent due to some ill health retirements in the year which had not formed part of the original estimate and are not funded through the pensions account.
- 7 The additional cost under Premises, Repairs and Maintenance is due to having to hire additional workshop space for the Fleet department due to a shortage of facilities that was impinging on service delivery.
- 8 Under the Supplies and Services heading it is currently estimated that there will be an underspend on Communications and Computer costs due to a delay to Phase 2 of the development work which has resulted in savings in the current year. The additional spend on uniforms was to have been met from an earmarked reserve set aside at the end of last year but due to the predicted underspend it will not be necessary to utilise the reserve.
- 9 The underspend on Audit fees is due to the offset of current year fees against an accrual for the previous year which was over estimated resulting in reduced costs in this financial year.
- 10 The Leasing budget will be overspent due to some secondary leasing charges being higher than estimated and some equipment from expired leases being purchased.
- 11 The estimated income from interest will not be achieved due to interest rates remaining at an all time low. However, this has been offset by savings on Capital Financing due to re-programming of the capital programme in 2009/2010 and savings on interest payments on maturing loans.
- 12 Emergency Planning income is re-imbursements from the Assembly for special projects. This has decreased due to changes within funding for the New Dimensions programme.

- 13 There has been a decrease in income earned from outside training courses in particular commercial fire safety. The decision was taken to cease this service as it was decided that a more effective use of the resources would be to deliver the community fire safety message to the business community at large.

RECOMMENDATION

- 14 That Members note the estimated underspend and confirm that it will be held as general reserve at the end of the 2010/11 financial year should the current trend in expenditure continue.