

Shropshire and Wrekin Fire and Rescue Authority  
25 February 2015

Shropshire and Wrekin Fire and Rescue Authority  
Strategy and Resources Committee  
5 February 2015

## Financial Performance to December 2014

### Report of the Treasurer

For further information about this report please contact James Walton, Treasurer, on 01743 255011, or Joanne Coadey, Head of Finance on 01743 260215.

### 1 Purpose of Report

This report provides information on the financial performance of the Service, and seeks approval for action, where necessary.

### 2 Recommendations

The Committee is asked to recommend that the Fire Authority:

- a) Note the position of the revenue budget;
- b) Approve movements and virements to the revenue budget, where requested; and
- c) Note performance against prudential indicators to date in 2014/15.

### 3 Background

This report comprises a review of financial performance to date for 2014/15, and encompasses the monitoring of revenue budgets and capital schemes, and the review of treasury management activities, including prudential indicators.

### 4 Revenue Budget

Monitoring has continued on the revenue budgets and capital programme for 2014/15. The position to December 2014 can now be reported and is shown on the following page.

	<b>(Over) / Under spend £'000</b>
<b>Corporate Support</b> – vacancies and part-time posts have resulted in an underspend	30
<b>Executive</b> – part-time posts in Finance have generated underspends	15
<b>Development</b> – savings have been identified in pay budgets	20
<b>Planning &amp; Performance</b> – a vacant post has been filled during the financial year	20
<b>Communications</b> – savings following use of Government grant for revenue costs, associated with the Control Room project	149
<b>Uniforms</b> – additional funds required for personal protective equipment for secondments, and specialist clothing for Water First Responders	(51)
<b>Debt Charges</b> – changes in policy relating to funding of capital schemes has resulted in a reduction in debt charges – the budget has been reduced for future years	160
<b>Interest on Investments</b> – income in excess of budgeted levels has been predicted	20
<b>Pensions</b> – the budget for ill-health contributions to the Pensions Account is likely to be underspent	150
<b>Total</b>	<b>513</b>

Variations will be transferred to individual contingencies, where they will be managed with future variations.

### **Service Transformation Programme**

Costs of staff seconded to projects within the Service Transformation Programme total £60,000 for October to December 2014. These costs include human resources and information and communications technology (ICT) support, and also costs associated with the implementation of SharePoint.

### **Memorandum of Understanding (MoU) – Control Room Project**

Costs of staff seconded to the MoU programme of projects total £43,000 for October to December 2014. These costs include the Project Manager and ICT support.

Funds are available for these staff costs, within the Service Transformation Programme Staff Reserve and the ICT Reserve (Control grant) respectively. Members are requested to approve the transfer of funds from reserves into the revenue budget.

## 5 2014/15 Prudential Indicators

In line with the Chartered Institute of Finance and Public Accountancy (CIPFA) Prudential Code for Capital Finance, the Treasurer is required to establish procedures to monitor performance against all forward-looking prudential indicators and, in particular, that net external borrowing does not (except in the short term) exceed the requirement to borrow for capital purposes.

The Fire Authority has established that it will receive regular monitoring reports during the year; the position to the end of December 2014 is shown below.

### Capital Financing Requirement (£4.407m)

This is the amount required by the Authority to fund its capital investment. This includes all capital investment expected to be made this year, less any contributions from revenue or grant.

### Authorised Limit for External Debt (£7.407m)

The Authorised Limit represents the amount required to fund the Authority's capital financing, plus a provision for temporary borrowing, should the receipt of revenue money be delayed, although this should happen very rarely.

Borrowing currently stands at £5.810m, well within the indicator. No temporary borrowing has been necessary.

### Operational Boundary (£5.810m)

The Boundary represents the capital investment entered into by the Authority, including any loans to be taken during the year. Unlike the Authorised Limit, this may be exceeded, although this would require some investigation.

### Current Investments

Funds currently invested are shown below:

Nat West	£2.0m
Lloyds	£2.0m
Barclays	£1.9m
Borough of Telford & Wrekin	£2.0m
Salford City Council	£1.0m
Rochdale MBC	£1.0m
Bournemouth BC	£1.2m
Nationwide	£2.0m
Blaenau Gwent CBC	£1.0m
Debt Management Office	£0.9m
Handelsbanken	£2.0m
<b>Total</b>	<b>£17.0m</b>

## **6 Financial Implications**

The financial implications are laid out in the main body of this report.

## **7 Legal Comment**

There are no direct legal implications arising from this report.

## **8 Initial Impact Assessment**

An Initial Impact Assessment form has been completed.

## **9 Equality Impact Assessment**

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Human Resources 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment is not, therefore, required.

## **10 Appendices**

There are no appendices attached to this report.

## **11 Background Papers**

There are no background papers associated with this report.