

Financial Performance to March 2016

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 Fire Authority is asked to:

- a) Note the position of the revenue budget;
- b) Approve virements to the revenue budget, where requested;
- c) Note performance against prudential indicators to date in 2015/16.

3 Background

This report comprises a review of financial performance to date for 2015/16, and encompasses the monitoring of revenue budgets and the review of treasury management activities, including prudential indicators.

4 Revenue Budget

Monitoring has continued on the revenue budgets for 2015/16, and the position to March can now be reported. It should be noted, however, that this is not the out turn position for the financial year, as work on closedown is currently being undertaken.

	(Over) / Under spend £'000
Executive and Resources	
Uniforms – There has been additional expenditure during the year on the introduction of new work wear and helmet replacement; it is proposed that the additional spend is funded from the Operational Equipment Reserve.	(60)
Building repairs and maintenance – expenditure in this area has exceeded budgeted levels.	(42)
Environment and waste disposal – savings have been identified in this budget area.	20
Hydrants – costs for work completed to date are lower than the budget in this area.	50
Interest on Investments – return on investments during the year has exceeded budgeted levels.	36
Corporate Support	
Insurance – lower insurance premiums have resulted in savings in this area.	13
Area Command	
Watches – Savings have been identified in salary on costs at the end of the year, due to a number of vacancies on watches.	99
Retained Duty System: The final out turn for retained activity is not yet confirmed; however some variances are anticipated in the following areas:	
Retaining Fee	35
National Insurance	80
Sick pay – fewer employees on modified duties	40
Training	40
Prevention	
Officer vacancies have resulted in an underspend; which includes on costs within the department	50
Human Resources and Training	
Development Manager – post vacancy for part of the year	17
Driving Instructor – post vacancy for part of the year	21
Total	399

It is proposed that, unless specified, variances will be transferred to individual contingencies.

Service Transformation Programme

Costs of staff seconded to projects within the Service Transformation Programme for the last quarter of the year total £69,000. These costs include human resources and information and communications technology support, and also support for the Integrated Risk Management Plan (IRMP) project implementations. Costs for officers involved in the implementation of SharePoint are also included. Funds are available for these staff costs, within the Service Transformation Programme Staff Reserve.

5 2015/16 Prudential Indicators

In line with CIPFA's (Chartered Institute for Public Finance and Accountancy) 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 March is shown below.

Capital Financing Requirement (£4.741m)

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

Authorised Limit for External Debt (£7.166m)

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 £5.698m, 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	£0.34m
Lloyds	£2.00m
Barclays	£2.00m
Midlothian Council	£2.00m
Nationwide	£2.00m
Middlesbrough Borough Council	£1.30m
Santander	£2.00m
Handelsbanken	£2.00m
Birmingham City Council	£2.00m
Leeds City Council	£2.00m
Coventry Building Society	£1.00m
Total	£18.64m

6 Financial Implications

There are no financial implications other than those detailed in the report.

7 Legal Implications

There are no legal implications arising from this report.

8 Initial Impact Assessment

An Initial Impact Assessment has been completed.

9 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An 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.