

Financial Performance to March 2019

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) Approve the updated tariff of special service charges, and
- d) Note performance against prudential indicators to date in 2018/19.

3 Background

This report presents a review of financial performance to date for 2018/19 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 2018/19, and final adjustments are still being made for the year end position. Variances identified to the end of March so far can be reported as follows.

	(Over) / Under spend £'000
<u>Executive and Resources</u>	
Pay and Price contingency – a balance remains on the contingency at the end of March, this will be rolled forward to accommodate any back dated pay for 2018/19	226
Debt charges – funds were added to the budget for 2018/19 for additional debt charges as a result of the Telford development – this has not yet been required	90
Vehicle Stowage – this budget covers a range of vehicle modification and maintenance. Additional spend this year has included maintenance of cranes on rescue tenders, which is now covered by a total care contract, and increased specification of blue light safety devices on emergency response vehicles	(17)
<u>Corporate Services</u>	
Development – additional expenditure has occurred for mental health first aid training, fire safety courses and additional management courses	(20)
Total	279

It is proposed that, unless specified, variances will be transferred to individual contingencies, where they will be managed with future variances.

5 Review of Special Service Charges - Update

The Fire Authority updated its tariff for special service charges in February, in line with firefighter pay.

As the tariff was updated in 2016/17, a number of the rates relating to fire investigation and reporting were aligned with regional charges following a review by the West Midlands Fire Investigation Group. These rates have recently been reviewed and updated again, and in order that rates remain consistent across the region, members are asked to approve an updated tariff of charges, attached to the report. Charges that have been updated are shown in bold italics.

6 2018/19 Prudential Indicators

In line with CIPFA's 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 (£3.353m)

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 (£6.353m)

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 (£5.698m)

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:

Santander	£2.00m
Handelsbanken	£2.00m
Telford & Wrekin Council	£2.00m
Lloyds	£1.37m
Nationwide	£2.00m
Bury MBC	£2.00m
Highland Council	£1.50m
Surrey Heath Borough Council	£2.00m
Coventry Building Society	£1.00m
Thurrock Council	£1.60m
Total	£17.47m

7 Financial Implications

The financial implications are as set out in the main body of the report.

8 Legal Comment

There are no direct legal implications arising from this report.

9 Initial Impact Assessment

An Initial Impact Assessment has been completed.

10 Appendix

Updated Tariff of Special Service Charges

11 Background Papers

There are no background papers associated with this report.

Shropshire Fire and Rescue Service

Special Services Charges 2019/20

Appliances per Hour	Details	2018/19 Net Rate per Hour with Crew	2019/20 Net Rate per Hour with Crew	VAT	Total	2019/20 Net Rate per Hour with Crew	VAT	Total
(part of an hour to count as a complete hour)	Pumping Appliance	241.66	311.42	62.28	373.70	311.42	62.28	373.70
	Special Appliance (ALP, RT, HPU) with pumping appliance	320.65	327.06	65.41	392.47	327.06	65.41	392.47
	Utility Vehicles (pod, boat, ranger)	81.33	82.96	16.59	99.55	82.96	16.59	99.55
Miscellaneous Charges		Hourly Rate	Hourly Rate	VAT	Total	Hourly Rate	VAT	Total
	Search of files (plus document charge, see below) per hour	33.01	33.67	6.73	40.40	33.67	6.73	40.40
	Interviews with Brigade personnel (interview plus travelling expenses) minimum charge	63.66	64.93	12.99	77.92	64.93	12.99	77.92
Investigation Charges aligned to the West Midlands Regional Fire Services tariff		Charge	Charge	VAT	Total	Charge	VAT	Total
	<i>Copy of Fire Report (either Incident Reporting System (IRS) report , or Fire Damage Report (FDR1))</i>	<i>72.25</i>	<i>73.70</i>	<i>14.74</i>	<i>88.43</i>	<i>77.78</i>	<i>15.56</i>	<i>93.33</i>
	<i>Copy of Fire Investigation Report</i>	<i>297.53</i>	<i>303.48</i>	<i>60.70</i>	<i>364.18</i>	<i>320.25</i>	<i>64.05</i>	<i>384.30</i>
	<i>Provision of Fire Investigation Information by Fire Investigation Officer</i>	<i>85.00</i>	<i>86.70</i>	<i>17.34</i>	<i>104.04</i>	<i>91.50</i>	<i>18.30</i>	<i>109.80</i>