

## Financial Performance to December 2012

### 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 virements to the revenue budget, where requested, and
- c) Note performance against prudential indicators to date in 2012/13.

#### 3 Background

This report comprises a review of financial performance to date for 2012/13, and encompasses the monitoring of revenue budgets and capital schemes, the review of treasury management activities, including prudential indicators.

#### 4 Revenue Budget

Monitoring has continued on the revenue budgets and capital programme for 2012/13, and the position to December can now be reported and is shown on the following page.

## Revenue Budget

	<b>(Over) / Under spend £'000</b>
<b>Executive and Resources</b>  <b>Technical Services:</b>  <b>Uniforms</b> – additional expenditure on officers’ work wear, outerwear and medal mountings for Queen’s Jubilee medals  <b>Vehicle Parts</b> – spending has exceeded budgeted levels  <b>Operational Equipment</b> – continued spending at current levels will result in an underspend  <b>Operational Equipment Maintenance</b> – savings on maintenance, no spend necessary on New Dimensions assets  <b>Rental Income</b> – increased income from rentals at fire stations	   (33)  (12)  35  10  36
<b>HR and Development</b>  <b>Occupational Health</b> – less expenditure than anticipated on medical reports	  10
<b>Corporate Performance and Operations</b>  <b>Performance Information</b> – mapping services are now provided by central government, at no cost. Efficiency saving has been recognised in future budgets.	  38
<b>Total</b>	<b>84</b>

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

## 5 2012/13 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 December 2012 is shown below.

### **Capital Financing Requirement (£8.124m)**

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 (£11.124m)**

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 (£8.124m)**

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:

Debt Management Office	£6.11m
Leeds City Council	£1.50m
Midlothian Council	£1.80m
Glasgow City Council	£1.12m
Total	£10.53m

### **Repayment of Outstanding Debt**

At its meeting in November, the Committee requested that officers approach Treasury Services and seek advice about repaying some of the Authority's £5.81m of debt.

Indicative information was compiled by Sector, the Authority's leasing advisor. This illustrated that, in order to repay the 5 earliest maturing loans in the Authority's debt portfolio, a one-off cost of £810,000 would be required to secure annual revenue savings of £32,000, a saving, which does not justify the required outlay.

## **6 Financial Implications**

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

## **7 Legal Comment**

There are no direct legal implications arising from this report.

## **8 Equality Impact Assessment**

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 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 has not, therefore, been completed.

## **9 Appendices**

There are no appendices attached to this report.

## **10 Background Papers**

There are no background papers associated with this report.