

Financial Performance to February 2012

Report of the Treasurer

For further information about this report please contact Rachel Musson, Treasurer, on 01743 252007, 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;
- c) Note performance against prudential indicators to date in 2011/12; and
- d) Note performance in Treasury Management to date in 2011/12.

3 Background

This report comprises a review of financial performance to date for 2011/12, 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 and capital programme for 2011/12, and the position to February can now be reported as follows.

	(Over) / Under spend £'000
<p>Executive and Resources</p> <p>Fleet Management: Workshop tools and vehicle parts: increased spending at current levels will result in an overspend in this area</p>	(20)
<p>Human Resources and Development</p> <p>Training: Savings in this area are as a result of no wholetime recruitment and limited promotions during the year.</p> <p>Development: There has been reduced spending on management development and health and safety training.</p>	40 14
<p>Corporate Performance and Operations</p> <p>Control: Pay budgets are likely to be overspent as a result of the use of temporary staff to cover vacancies.</p>	(15)
<p>Service Delivery</p> <p>Prevention: There has been reduced spend on prevention initiatives as a result of post vacancies.</p>	12
Total	31

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

5 2011/12 Prudential Indicators

In line with the Chartered Institute of Public Finance and 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 February is shown below.

Prudential Indicator	Budget 2011/12 £'000	Actual 2011/12 £'000
Capital Financing Requirement (CFR)	8,256	8,125
Operational boundary for external debt	8,256	8,125
Authorised limit for external debt	11,256	11,125

There are currently no indications that the prudential indicators will be exceeded or amended.

6 Investments

Funds currently invested are shown below:

Debt Management Office (DMO)	£6.83m
Birmingham County Council	£2.00m
Telford & Wrekin Council	£2.00m
Total	£10.83m

7 Financial Implications

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

8 Legal Comment

There are no direct legal implications arising from this report.

9 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.

10 Appendices

There are no appendices attached to this report.

11 Background Papers

There are no background papers associated with this report.