

## Financial Issues on closing the 2009/10 Final Accounts

### Report of the Treasurer

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202.

#### 1 Purpose of Report

The report outlines the main strategic issues that will arise in considering the Final Accounts for 2009/10.

#### 2 Recommendations

The Committee is asked for its views on options to be brought to the Committee in May, prior to it making recommendations to the Fire Authority in June.

#### 3 Background

The Final Accounts are presented to the Fire Authority in June each year, in order to comply with the statutory timetable for consideration by 30 June 2010.

There is usually a Member seminar in advance of the meeting, which goes through the specific issues raised by the accounts.

It is far too early to predict what these issues may be, particularly in relation to the balance sheet.

However, it is already clear from budget monitoring that there will be revenue savings, slippage and under spends (potentially around £700,000) and there is an opportunity to consider options available for their deployment in 2010/11.

## 4 Options Available

The eventual total of under spends, savings, slippage etc has in the past been made up of:

- i. Service Spending which has slipped; these are often the subject of requests by Officers to be added to the new year's budget;
- ii. Efficiencies
- iii. Under spending – notably on inflation

The June reports in past years have sought approval for the Fire Authority to decide how to use the monies, and, for instance last year it agreed to approve additional budgets to enable slipped expenditure to be undertaken (£341,000); requests for one-off expenditure (£355,000); and the balance (£432,000) was transferred to the un-earmarked capital reserve.

Current policy can therefore be summed up as:

- i. Maintain spending plans by carrying budgets forward;
- ii. Considering requests for one-off budget virements;
- iii. Transferring the balance to the un-earmarked capital reserve to help fund major projects at Shrewsbury, Telford and Wellington;
- iv. Ensure therefore that funds are properly deployed in the accounts, and not retained unnecessarily.

The current budget uncertainties may require some changes to the current policy, and future options include:

- i. Holding balances in the general fund to meet future budget shortfalls. This could also include creating new and specific reserves to meet spending pressures;
- ii. Using the funds to replace planned borrowing, therefore reducing future financing costs.

## 5 Financial Implications

The financial implications are detailed in this report.

## 6 Legal Comment

There are no legal implications arising from this report.

## 7 Equality Impact Assessment

This report is purely an update on potential general budget policy options and contains no specific variation to current policy. There are no specific recommendations within the report and therefore no impact on people.

## 8 Appendices

There are no appendices attached to this report.

## 9 Background Papers

There are no background papers associated with this report.

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*