

Monitoring of Revenue Budget and Capital Programme, including Prudential Indicators

Report of the Treasurer

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

1 Purpose of Report

This report is part of the regular monitoring process undertaken throughout the year. It details the latest position on revenue and capital budgets, recommending action where necessary, and also monitors the Fire Authority's Prudential Indicators.

2 Recommendations

The Fire Authority is asked to:

- a) Note the progress on the revenue budget and the capital programme;
- b) Approve the virements, set out in paragraph 4; and
- c) Note the Fire Authority's position against its Prudential Indicators.

3 Background

As part of the regular monthly monitoring of the revenue budget, carried out by officers, net underspends of £224,000 were moved to balances following Fire Authority approval in October and December 2006.

This paper reports further movements as a result of monitoring to the end of December 2006.

Progress on the Fire Authority's capital programme for 2006/07 is reported, and performance against the Fire Authority's Prudential Indicators is shown as part of the approved reporting process.



4 Revenue Budget Monitoring

| Budget Variations following Monitoring | £'000 |
|--|--------------------------|
| <p>National Insurance and Pensions</p> <p>As a result of underspends reported to date on pay, a full review of the associated costs of National Insurance and pension contributions has resulted in an anticipated underspend of £60,000. This saving is a total across all of the Fire Authority's service areas.</p> | (60) |
| <p>Executive</p> <p>Conferences and Subsistence – continued spending at current levels will result in an overspend in this area.</p> <p>Investment Income – further income in excess of budget is expected before the end of the year.</p> | 10 (20) |
| <p>Service Delivery</p> <p>Smoke Alarms – a further increase is required to cover costs of purchasing alarms being fitted by retained and wholetime staff.</p> <p>Retained Duty System Additional Hours – an overall underspend is expected in this budget, largely in the area allocated for prolonged attendance at incidents.</p> <p>Retained Duty System Holiday Pay – increased amounts of expenditure in the retained budgets has resulted in an expected overspend in this associated budget.</p> <p>Fire Control – an additional member of staff in Fire Control has brought the projection for overtime levels down, resulting in an anticipated underspend.</p> | 23 (21) 11 (20) |
| <p>Strategy and Performance</p> <p>Communications – some variances are anticipated in telephone rentals and calls.</p> | (7) |
| <p>Resources</p> <p>Operational Equipment and Maintenance – overspends are anticipated in this area, although levels of spend are to be reviewed alongside Equipment Replacement Provision.</p> <p>Utilities and Cleaning - a net overspend is predicted in these areas.</p> | 65 15 |



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|---|-------|
| Furniture Purchase – an overspend is likely here, due to the number of schemes covered this year. | 5 |
| Human Resources | |
| Pension Transfers In – A transfer relating to 2005/06 has been received, which is in excess of the accrual made in the 2005/06 accounts. | (109) |

The implications of these changes have been taken into account in budgets for future years, which are considered later in the agenda.

5 Capital Programme

Further progress to report on the Fire Authority's capital schemes for 2006/07 includes:

- Further building improvements have been made to retained stations;
- The replacement boat has now been purchased, and an order placed for its trailer; and
- An order has also been placed for fireground radios.

Progress on all schemes within the programme continues to be regularly monitored and reported.

6 Prudential Indicators

- Authorised Limit for External Debt (£8,154,000)**
The prudential indicator of £8,154,000 includes a provision for temporary borrowing, should the receipt of revenue money be delayed. The limit currently stands at £4,292,000.
- Operational Boundary (£5,298,000)**
This boundary, unlike the Authorised Limit, can be exceeded, although this would trigger an investigation. Borrowing is well within the Boundary at £4,473,000.
- Capital Financing Requirement (£5,154,000)**
The capital financing requirement is £4,292,000. Future borrowing on the capital programme is unlikely to see the original indicator exceeded.
- Net Borrowing**
Currently borrowing of £4,450,000 is offset by investments of £5,068,000, i.e. well within the capital finance requirement.



7 Financial Implications

The financial implications are set out in this report.

8 Legal Comment

The Fire Authority must comply with the provisions of the Local Government Act 2003, which relates to finance. In particular, parts 1 and 2 of this Act with relate to Capital Finance and Accounts and Financial Administration.

9 Equality Impact Assessment

This report has been assessed to ensure that any effect it might have would not result in discriminatory practice or differential impact upon specific groups.

Having considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2), Officers have concluded that the recommendation made within this report does not introduce or modify any policy, procedure or function within the organisation and an Initial 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.

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.

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| 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 | * |

