



AGENDA ITEM: 8

NORTH WALES FIRE AND RESCUE AUTHORITY

20 December 2010

PROVISIONAL OUTTURN 2010-2011

Report by Ken Finch, Treasurer

Purpose of Report

- 1 This report is to provide Members with an estimated provisional outturn for the financial year 2010-2011.

Introduction

- 2 Expenditure against budget is monitored closely by Fire and Rescue Service staff and any variances or expected variances are highlighted as soon as they occur so measures can be put in place to ensure there is no financial risk to the Authority. Current indications are that there will be an underspend of £105,123. The detailed breakdown is contained in Appendix A, any underspends are shown with a minus (-) sign.
- 3 The estimated underspend is being managed in year and may form part of reserves for 2011/12 to help underpin next year's budget. It is therefore recommended that Members merely note the underspend at this point.

Variances to Budget

- 4 A large proportion of Fire and Rescue Service expenditure relates to pay and there are indications that there will be a net underspend on pay this year. Expenditure on wholtime firefighters will be more than the original budget which can be attributed to the current establishment being greater than the original estimate and payment of additional responsibility allowances not included in the original budget. The current position on the establishment is due to a time lag between transfer of budget to community safety to fund additional Community Fire Safety posts and the reduction in ALP

posts by means of natural wastage. Conversely the non-uniform staff budget will be underspent as some of the additional Community Fire Safety posts have not been filled.

- 5 The estimated underspend on retained firefighters is fairly modest at £83k. Members should also be aware that the outturn is based on current activity levels which are relatively low and if there are a number of major incidents over the next three months then the overspend could easily translate in to a significant budget deficit.
- 6 The pensions budget will be overspent due to some ill health retirements in the year, these had not formed part of the original estimate and are not funded through the pensions account.
- 7 The additional cost under Premises, Repairs and Maintenance is due to having to hire additional workshop space for the Fleet department due to a shortage of facilities that was impinging on service delivery.
- 8 Under the Supplies and Services heading it is currently estimated that there will be an underspend on Communications and Computer costs due to a delay to Phase 2 of the development work which has resulted in savings in the current year.
- 9 The estimated income from interest will not be achieved due to interest rates remaining at an all time low. However, this has been offset by savings on Capital Financing due to re-programming of the capital programme in 2009/2010 and savings on interest payments on maturing loans.
- 10 Emergency Planning income is re-imbursments from the Assembly for special projects. This has decreased due to changes within funding for the New Dimensions programme.
- 11 There has been a decrease in income earned from outside training courses in particular commercial fire safety. The decision was taken to cease this service as it was decided that a more effective use of the resources would be to deliver the community fire safety message to the business community at large.

RECOMMENDATION

- 12 That Members note the estimated underspend.