



## **AGENDA ITEM: 10**

### **NORTH WALES FIRE AND RESCUE AUTHORITY**

**20 October 2008**

### **PROVISIONAL OUTTURN 2008-2009**

**Report by Ken Finch, Treasurer**

#### **Purpose of Report**

- 1.** This report is to provide Members with an estimated provisional outturn for the financial year 2008-2009.

#### **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 a small underspend of £23,118. The detailed breakdown is contained in Appendix A, any underspends are shown with a minus (-) sign.

#### **Variances to Budget**

- 3.(a)** A large proportion of Fire and Rescue Service expenditure relates to pay and indications are that there will be a net underspend on pay. The underspend on wholetime firefighters is due mainly to the transfer of some posts from operational to support staff, with a consequential overspend for support staff, and the lag between a post becoming vacant and it being filled. Members will appreciate that if the original budgets were adjusted to reflect the transfers of expenditure a different comparison would arise.

- (b)** The underspend on retained firefighters is mainly attributed to the low level of activity during the summer months resulting in incident fees being less than budgeted.
- 4.** The overspend on advertising is due to the recruitment drive for wholetime firefighters.
  - 5.** The Control room moved into new premises in St Asaph at the beginning of October and the additional costs incurred for the part year have now been included.
  - 6.** Under Transport the increased volume of fuel usage has been partially offset by savings on other running costs, namely vehicle insurance. Overall, the estimated overspend on transport costs has been offset by savings elsewhere in the budget.
  - 7.** Under the Supplies and Services head the main area of overspend will be on Computer costs due to an increase in licencing costs, network upgrades and development work on a number of systems, in particular the new system for logging home fire safety checks. Again, the overspend on Supplies and Services will be offset by savings elsewhere in the budget.
  - 8.** In order to supplement in house skills external professionals have been engaged to assist the service in a number of areas, mainly employee related, where there is a need to seek advice on complex legal matters. Unfortunately these costs can not be avoided and it is estimated that there will be an overspend on this budget head.
  - 9.** The estimated additional income from interest will not be achieved due to the current volatility of the money markets. However, this has been offset by savings on Capital Financing due to slippage on the capital programme in 2007/2008. The NWFRA only invests in British and Irish Institutions - there is

further information on this in the Treasury Management report elsewhere on the agenda.

- 10.** Overall the projected outturn for income is higher due mainly to re-imburement of costs by the Assembly for special projects. Investment income is expected to be less than budgeted due to the decreased level of provisions held by the Authority and the late payment of the Pensions Top Up Grant from WAG. Officers are pursuing WAG for interest on the late payment of the Top Up Grant.
- 11.** Currently the overall underspend is estimated to be £23,118 but as there are still another six months of the financial year to run the position could change if the number of incidents increase during the winter period. It is therefore recommended that at this point in time Members just note the estimated underspend.

#### **RECOMMENDATION**

- 12.** That Members note the estimated underspend.