



AGENDA ITEM: 8

NORTH WALES FIRE AND RESCUE AUTHORITY

17th March 2008

PROVISIONAL OUTTURN 2007-2008

**Report by Ken Finch,
Treasurer to the Authority**

Purpose of Report

- 1.** This report is to provide Members with an estimated provisional outturn for the financial year 2007-2008.

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 £23,121. The detailed breakdown is contained in Appendix A, any underspends are shown as negative figures.

Variances to Budget

- 3.** The majority of the Fire and Rescue Service expenditure is made up of pay and indications are that there will be a net overspend on pay this year.
 - The overspend is mainly due to the costs of control staff being higher than budgeted because a number of these employees have been seconded to special projects. This is being addressed as each project comes to an end.



Variations to Budget *(continued)*

- The pension costs for the new Firefighters pension scheme are estimated to be more than budgeted due to the original proposals for the scheme differing from the actual scheme.
 - The underspend on part time uniformed staff can mainly be attributed to the reduction in emergency calls attended by retained firefighters. Some of this underspend has been redirected into additional hours for RDS staff to undertake community safety work.
 - The expenditure head Miscellaneous includes an "early retirement on the grounds of efficiency" payment for a member of staff. This will produce savings for the Authority in future years.
- 4.**
- Expenditure on local taxation is higher than anticipated due to the expectation that the District Valuer would reduce some of the ratings being more optimistic than was actually the case. This will be offset by the revenue costs for the New Control Room which were included in the budget for 2007/2008 but will not now be required until the next financial year.
 - The savings on the costs of the new Control Room have also offset the increase in utilities, local taxation and necessary additional expenditure on repairs and maintenance due to heating problems in a number of establishments.
- 5.**
- Under Transport the increase in fuel costs and fluctuations in the timing of contract vehicle leases have created a slight overspend which has partially been offset by savings on running costs, namely vehicle insurance.



Variances to Budget *(continued)*

- 6.**
 - Under the Supplies and Services heading a number of budget lines are anticipated to overspend due partly to the increased Fire Safety activity. The increase in Fire Safety staff has meant increased expenditure on some budget lines such as office equipment, printing and stationery.
 - In order to supplement in house skills, consultants and external professionals have been used to undertake certain projects. This includes the successful collaboration with North Wales Police procurement team in evaluating tenders for breathing apparatus and command and control software. This has produced more expenditure than was anticipated on Professional /Consultants fees.
- 7.** Capital Financing costs are estimated to be less than budgeted due to the slippage on the capital programme in 2006/2007.
- 8.** Overall the outturn estimate for income is higher than estimated due mainly to re-imburement of staff costs by the Assembly and other Brigades. Investment income is expected to be less than budgeted due to the decreased level of provisions held by the Authority.

RECOMMENDATION

- 9.** Currently the underspend is estimated to be £23,121. It is recommended that the projected underspend at this time be noted and consideration be given to using the underspend to fund further work in Community Fire Safety.