

WEST MIDLANDS FIRE AND CIVIL DEFENCE AUTHORITY

27TH SEPTEMBER 2004

1. MONITORING OF FINANCES

Joint report of the Chief Fire Officer and Treasurer.

RECOMMENDED

THAT the report be noted.

2. PURPOSE OF REPORT

2.1 This report deals with the monitoring of the finances of the Authority in the current financial year and covers in particular, expenditure on employees (which accounts for approximately 70% of net expenditure), the Firefighters' Pension Scheme (which is a non-funded scheme), and the Capital Programme.

2.2 Expenditure is compared with a profile of the Authority's budget.

3. BACKGROUND

3.1 Employees' Expenditure

Appendix A compares the salaries and wages budget to the end of August with the actuals to that date.

Overall, the payroll shows an underspend of £53,000 against budget to date of £28.024 million.

3.2 Firefighters' Pension Scheme

The position is set out in Appendix B and indicates a projected underspend of £748,000, predominantly due to a lower number of retirements than anticipated. It should be noted that this area of expenditure is subject to wide fluctuations arising in particular from medical discharges, timing of retirements, value of actual pensions and the transfer of pension rights, both into and out of the scheme.

The current position is due predominately to a lower number of medical and injury retirements but the situation will be closely monitored during the remainder of the financial year.

3.3 **Capital Expenditure**

The Authority's approved capital programme for 2004/2005 is £4.829 million. A scheme analysis is shown in Appendix C. Expenditure to the end of August is shown as £1.096 million.

4. **EQUALITY AND DIVERSITY IMPLICATIONS**

There are no equality and diversity implications arising from this report.

5. **CORPORATE AIM SUPPORTED**

The principal corporate aim supported by the information in this report is as follows:-

2. To create a financial plan which operates within the budget, to ensure the most efficient, effective and economic use of resources.

6. **LEGAL IMPLICATIONS**

The course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

7. **FINANCIAL IMPLICATIONS**

These are contained in the body of the report and the attached Appendices.

BACKGROUND PAPERS

Authority's Budget and Precept Report – February 2003
Finance Office Budget Monitoring Files

F. J. E. SHEEHAN
CHIEF FIRE OFFICER

L. BATEMAN
TREASURER

Ref. AU30309043/DB/TB

STATEMENT OF DIRECT EMPLOYEE EXPENDITURE 2004/2005

BUDGET HEAD	LATEST BUDGET 2004/2005 £'000	PROFILED BUDGET TO 31-August-2004 £'000	EXPENDITURE TO THE END OF 31-August-2004 £'000	VARIATION OVER/(UNDER) £'000
Pay – Operational Staff	55,212	21,567	21,517	(50)
Pay – Retained Firefighters	178	73	52	(21)
Pay – Fire Control Staff	1,742	682	686	4
TOTAL UNIFORMED STAFF	57,132	22,322	22,255	(67)
TOTAL NON-UNIFORMED STAFF	7,801	3,244	3,294	50
TOTAL PAY	64,933	25,566	25,549	(17)
National Insurance	5,031	1,971	1,950	(21)
Superannuation	1,174	487	472	(15)
TOTAL EMPLOYEES EXPENDITURE	71,138	28,024	27,971	(53)

FIREFIGHTERS' PENSION SCHEME

DESCRIPTION	LATEST BUDGET 2004/2005	EXPENDITURE/ INCOME TO 31-Aug-2004	FORECAST FROM 01-Sept-2004 TO 31 st March 2005	PROJECTIONS FOR YEAR	PROJECTED VARIANCE TO BUDGET £'000
(1)	£'000 (2)	£'000 (3)	£'000 (4)	£'000 (5)	(6)
BENEFITS	18,591	7,595	10,811	18,406	(185)
LUMP SUMS	6,270	1,312	3,936	5,248	(1,022)
TRANSFER VALUES (NET)	560	76	880	956	396
OTHER	57	0	52	52	(5)
TOTAL PENSIONS GROSS EXPENDITURE	25,478	8,983	15,735	24,718	(760)
LESS CONTRIBUTIONS	(5,870)	(2,208)	(3,650)	(5,858)	12
TOTAL PENSIONS NET EXPENDITURE	19,608	6,775	12,085	18,860	(748)

RETIREMENT STATISTICS	ANNUAL NUMBER	TO DATE
BUDGETED NUMBER OF RETIREMENTS	90	38
ACTUAL NUMBER OF RETIREMENTS TO DATE		21
PROJECTED RETIREMENTS TO YEAR END	81	
VARIANCE	-9	-17

CAPITAL MONITORING STATEMENT TO END OF AUGUST 2004

SCHEME REFERENCE	SCHEME	YEAR	APPROVED BUDGET 16 TH FEB 2004 £000s	ADJUSTMENTS 2003/2004 £000s	TOTAL £000s	ACTUALS TO AUG 2004 £000s	FORECAST £000s	VARIANCE £000s
	<u>LAND AND BUILDINGS</u>							
FS0033	Bloxwich Essential Works	1 of 1	150	0	150	0	150	
FS0034	Binley Modifications	1 of 1	146	0	146	0	146	
FS0031	Kit Racking	1 of 1	154	0	154	33	154	
FS0029	B.A. Servicing Rooms – Upgrade	1 of 3	35	0	35	0	35	
FS0028	Security Measures	1 of 3	50	0	50	11	50	
FS0013	Equality and Diversity Works	1 of 3	100	0	100	5	100	
FS0030	Deep Lift Well Alterations	1 of 5	72	0	72	0	72	
FS0032	Drill Tower Upgrades	1 of 5	50	0	50	30	50	
FS0022	West Bromwich PPE and Refurbishment	2 of 2	300	0	300	258	300	
FS0023	PPE Storage Facilities	2 of 2	90	48	138	25	138	
FS0024	Foleshill Community Fire Safety Facility	2 of 2	185	76	261	0	261	
FS0025	Bournbrook Refurbishment	2 of 3	475	8	483	250	483	
FS0026	Fallings Park Refurbishment	2 of 3	600	0	600	281	600	
FS0009	HCFS Fire Experience Facility	3 of 1	0	24	24	5	24	
FS0001	Automatic Fire Detection	3 of 2	0	94	94	0	94	
FS0011	Wolverhampton Refurbishment	3 of 2	0	30	30	7	30	
FS0017	BTC Car Park and Fencing	3 of 2	0	3	3	3	3	
FS0007	Northfield Refurbishment	4 of 3	0	25	25	0	25	
FS0006	Asbestos Removal Retentions	4 of 5 Ongoing	200 0	-30 14	170 14	107 0	170 14	
	<u>INTEGRATED COMPUTER TRAINING</u>							
FS0035	Integrated Computer System	1 of 3	500	0	500	10	500	
FS0027	GIS Mapping	2 of 1	0	5	5	6	6	+1
FS0003	Wide Area Network Enhancement	2 of 2	40	125	165	39	165	
FS0004	MDT Hardware Replacement	2 of 2	140	160	300	0	300	
	<u>VEHICLE REPLACEMENT PROGRAMME</u>							
FS0020	Vehicle Replacement Programme	Ongoing	960	0	960	16	960	
FS0005	Vehicles Funded by Grant	1 of 1	0	0	0	10	10	+10
	GRAND TOTAL		4,247	582	4,829	1,096	4,840	+11

RESOURCES AVAILABLE

Supported Capital Expenditure
Grant Funded
Capital Receipts
Revenue Funding

TOTAL

SURPLUS (+) / DEFICIT (-)

£000s

3,658
10
259
922

4,849

9

APPENDIX C