

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

18 FEBRUARY 2013

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 revenue expenditure and the Capital Programme.

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

3. **BACKGROUND**

3.1 **Revenue Expenditure**

Appendix A compares the revenue budgeted to the end of January 2013 with the actuals to that date. Devolved budgets are managed by the Department responsible for incurring the expenditure as opposed to corporate budgets, which are managed by the named Department on behalf of the Brigade as a whole.

The Authority's 2012/2013 council tax requirement is £38.454 million and the revenue budget before allowing for the Formula Grant (which includes the Council Tax Freeze Grant) is £111.262 million. As part of the Authority's 2013/14 budget setting process, the current year's budget has been revised and reflects an estimated transfer to general balances of £2m. Actual spend to January 2013, including commitments, is £84.749 million compared to a projected budget of £85.169 million, an overall favourable variance of £0.420 million. This is predominantly due to a combination of staff vacancies and savings in supplies and services expenditure.

Appendix B provides statistical data relating to the Firefighters' Pension Scheme.

3.2 **Capital Expenditure**

The Authority's approved capital programme for 2012/2013 is £8.659 million. A scheme analysis is shown in Appendix C. Expenditure to the end of January 2013 is shown as £1.964 million.

A variance of (£5.748 million) is forecast against the approved budget. This is mainly due to a number of vehicle purchases being deferred whilst the Authority determines the future make up of its Operational fleet.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report, an initial Equality Impact Assessment is not required and has not been carried out because the matters contained in this report do not relate to a policy change.

5. **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.

6. **FINANCIAL IMPLICATIONS**

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

BACKGROUND PAPERS

Authority's Budget and Precept Report – February 2012
Finance Office Budget Monitoring Files

V. RANDENIYA
CHIEF FIRE OFFICER

S. KELLAS
TREASURER

| |
|---|
| REVENUE MONITORING SUMMARY TO JANUARY 2013 |
|---|

| | LATEST BUDGET 2012/2013 £'000 | PROFILED BUDGET £'000 | ACTUALS + COMMIT -MENTS £'000 | VARIANCE TO PROFILED BUDGET £'000 |
|--------------------------------------|--|--------------------------------------|--|--|
| DEVOLVED BUDGETS | | | | |
| OPERATIONS | 4,245 | 3,269 | 3,170 | -99 |
| CORPORATE MANAGEMENT & SUPPORT | 2,219 | 1,847 | 1,815 | -32 |
| HUMAN RESOURCES | 5,454 | 4,317 | 4,327 | 10 |
| TECHNICAL AND OPERATIONAL SUPPORT | 8,511 | 7,016 | 6,952 | -64 |
| RESOURCES | 9,439 | 7,196 | 7,130 | -66 |
| CORPORATE BUDGETS | | | | |
| HUMAN RESOURCES | 53,213 | 44,243 | 44,136 | -107 |
| TECHNICAL AND OPERATIONAL SUPPORT | 16 | -24 | -45 | -21 |
| RESOURCES | 25,638 | 16,912 | 16,850 | -62 |
| OPERATIONS | 527 | 393 | 414 | 21 |
| TOTAL | 109,262 | 85,169 | 84,749 | -420 |
| GRANT FUNDING | -72,808 | -66,447 | -66,447 | 0 |
| APPROPRIATIONS | 2,000 | - | - | - |
| GRAND TOTAL | 38,454 | 18,722 | 18,302 | -420 |

FIREFIGHTERS' PENSION SCHEMES

| NON-FINANCIAL INFORMATION | 2012/2013 PROJECTION | | | ACTUAL POSITION AS AT JANUARY 2013 | | |
|--|----------------------|-------------|-------|---------------------------------------|-------------|-------|
| | 1992 FPS | 2006 FPS | TOTAL | 1992 FPS | 2006 FPS | TOTAL |
| Members of FPS at 1 st April 2012 | 1,302 | 348 | 1,650 | 1,302 | 348 | 1,650 |
| New Members During Year | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers from Other Pension Schemes | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers to Other Pension Schemes | 3 | 1 | 4 | 3 | 1 | 4 |
| Normal Retirements/Deferred/Leavers | 60 | 3 | 63 | 52 | 9 | 61 |
| Ill-Health Retirements | 3 | 0 | 3 | 0 | 0 | 0 |
| Members of the Fire Pension Schemes as at 31st January 2013 | 1,247 | 338 | 1,585 | 1,247 | 338 | 1,585 |

CAPITAL MONITORING STATEMENT 2012/13

| Scheme | Year 2012/13 | Latest Budget | Actuals to January 2013 | Forecast | Variance |
|---|-------------------------|--------------------------|--|-----------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| <u>LAND & BUILDINGS</u> | | | | | |
| Asbestos Removal | Ongoing | 68 | 23 | 68 | - |
| Drill Tower/Training Facility Upgrades | 9 of 9 | 245 | 25 | 25 | -220 |
| The Academy Refurbishment | 4 of 4 | 8 | 8 | 8 | - |
| Solihull refurbishment | 4 of 5 | 275 | 234 | 239 | -36 |
| Walsall refurbishment | 4 of 5 | 512 | 458 | 465 | -47 |
| Boiler replacement programme | Ongoing | 516 | 72 | 200 | -316 |
| Lighting/Electrical Upgrades | 2 of 2 | 26 | 36 | 36 | +10 |
| Halesowen/Cradley Heath Project | 1 of 2 | 0 | 55 | 55 | +55 |
| Academy Training at Height Facility | 1 of 2 | 3 | 3 | 3 | - |
| Handsworth Red Hot Educational Facility | 1 of 1 | 70 | 33 | 33 | -37 |
| Retentions/Completed Schemes | Ongoing | 9 | 3 | 8 | -1 |
| <u>VEHICLES</u> | | | | | |
| Vehicle Replacement Programme | Ongoing | 6,226 | 610 | 1,337 | -4,889 |
| <u>ICT & EQUIPMENT</u> | | | | | |
| Solar Panels | 2 of 2 | 482 | 377 | 382 | -100 |
| Thermal Image Cameras | 5 of 5 | 181 | 14 | 14 | -167 |
| Other Equipment | 1 of 1 | 13 | 13 | 13 | - |
| Oracle Licensing | 6 of 6 | 25 | 0 | 25 | - |
| TOTAL | | 8,659 | 1,964 | 2,911 | -5,748 |
| <u>FINANCED BY:-</u> | | | | | |
| Capital Grants/Contributions | | 2,911 | | 2,911 | - |
| Direct Revenue Financing | | 5,748 | | - | -5,748 |
| TOTAL | | 8,659 | | 2,911 | -5,748 |