

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

26 NOVEMBER 2012

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 October 2012 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. Actual spend to October 2012, including commitments, is £60.417 million compared to a projected budget of £61.568 million, an overall favourable variance of £1.151 million. This is predominantly due to a combination of staff vacancies, savings in supplies and services expenditure and savings against the budgeted general inflation provision.

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 £8.656 million. A scheme analysis is shown in Appendix C. Expenditure to the end of October 2012 is shown as £1.599 million.

A variance of (£5.745 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 OCTOBER 2012

	LATEST BUDGET 2012/2013 £'000	PROFILED BUDGET £'000	ACTUALS + COMMIT -MENTS £'000	VARIANCE TO PROFILED BUDGET £'000
DEVOLVED BUDGETS				
OPERATIONS	4,577	2,362	2,168	-194
CORPORATE MANAGEMENT & SUPPORT	2,304	1,409	1,339	-70
HUMAN RESOURCES	5,604	3,011	2,950	-61
TECHNICAL AND OPERATIONAL SUPPORT	9,542	5,370	4,870	-500
RESOURCES	9,936	5,537	5,317	-220
CORPORATE BUDGETS				
HUMAN RESOURCES	53,250	30,967	30,896	-71
TECHNICAL AND OPERATIONAL SUPPORT	-109	-25	-36	-11
RESOURCES	25,628	12,669	12,644	-25
OPERATIONS	530	268	269	1
TOTAL	111,262	61,568	60,417	-1,151
GRANT FUNDING	-72,808	-49,712	-49,712	-
GRAND TOTAL	38,454	11,856	10,705	-1,151

FIREFIGHTERS' PENSION SCHEMES

NON-FINANCIAL INFORMATION	2012/2013 PROJECTION			ACTUAL POSITION AS AT OCTOBER 2012		
	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	1	1	2
Normal Retirements/Deferred/Leavers	60	3	63	44	9	53
Ill-Health Retirements	3	0	3	0	0	0
Members of the Fire Pension Schemes as at 31 st October 2012	1,257	338	1,595			

CAPITAL MONITORING STATEMENT 2012/13

Scheme	Year 2012/13	Latest Budget £'000	Actuals to October 2012 £'000	Forecast £'000	Variance £'000
<u>LAND & BUILDINGS</u>					
Asbestos Removal	Ongoing	68	22	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	50	200	-316
Lighting/Electrical Upgrades	2 of 2	26	36	36	+10
Halesowen/Cradley Heath Project	1 of 2	0	49	49	+49
Handsworth Red Hot Educational Facility	1 of 1	70	33	33	-37
Retentions/Completed Schemes	Ongoing	9	0	8	-1
<u>VEHICLES</u>					
Vehicle Replacement Programme (VRP) *	Ongoing	6,226	296	1,346	-4,880
<u>ICT & EQUIPMENT</u>					
Solar Panels	2 of 2	482	375	382	-100
Thermal Image Cameras	5 of 5	181	0	14	-167
Other Equipment	1 of 1	13	13	13	-
Oracle Licensing	6 of 6	25	0	25	-
TOTAL		8,656	1,599	2,911	-5,745
<u>FINANCED BY:-</u>					
Capital Grants/Contributions		2,911		2,911	-
Direct Revenue Financing		5,745		-	-5,745
TOTAL		8,656		2,911	-5,745

* Resources have been earmarked for a variety of vehicle options but given that the next 3 year VRP will not be considered by the Authority until the meeting in February 2013, the scale of forecast expenditure in the current year has been reduced to recognise that the purchase of any further operational vehicles is limited.