

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

5th DECEMBER 2005

1. MONITORING OF FINANCES APRIL 2005 TO OCTOBER 2005

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 October with the actuals to that date.

Overall, the payroll shows an underspend of £1,181,000 against a budget to date of £42.539 million.

3.2 Firefighters' Pension Scheme

The position is set out in Appendix B and indicates a projected overspend of £3,280,000. 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.

3.3 **Capital Expenditure**

The Authority's approved capital programme for 2005/2006 is £5.440 million. A scheme analysis is shown in Appendix C. Expenditure to the end of October is shown as £2.083 million.

3.4 **Trade Dispute**

No costs were incurred during the period covered by this report to provide the cover arrangements in the event of strike action. Clarity on a number of issues is still being sought but it is anticipated that expenditure of approximately £500k will have been incurred by the end of November 2005, with further financial commitments if the trade dispute is not resolved. These costs will need to be met from the Authority's General Balances. The financial implications of the trade dispute will feature in separate update reports to Members and will need to be considered as part of the Authority's budget setting process.

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. Creating a financial plan, operating within the budget, ensuring the most efficient 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 2005
Finance Office Budget Monitoring Files

F. J. E. SHEEHAN
CHIEF FIRE OFFICER

L. BATEMAN
TREASURER

STATEMENT OF DIRECT EMPLOYEE EXPENDITURE 2005/2006

BUDGET HEAD	LATEST BUDGET 2005/2006 £'000	PROFILED BUDGET TO 31 ST OCTOBER 2005 £'000	EXPENDITURE TO 31 ST OCTOBER 2005 £'000	VARIATION Over/(Under) £'000
Pay – Operational Staff	55,617	32,296	31,298	(998)
Pay – Retained Firefighters	164	101	135	34
Pay – Fire Control Staff	1,802	1,043	1,004	(39)
TOTAL UNIFORMED STAFF	57,583	33,440	32,437	(1,003)
TOTAL NON-UNIFORMED STAFF	9,081	5,268	5,238	(30)
TOTAL PAY	66,664	38,708	37,675	(1,033)
National Insurance	5,190	3,022	2,937	(85)
Superannuation	1,391	809	746	(63)
TOTAL EMPLOYEES EXPENDITURE	73,245	42,539	41,358	(1,181)

FIREFIGHTERS' PENSION SCHEME

DESCRIPTION (1)	Original Budget 2005/2006 £'000 (2)	Expenditure/ Income to 31 st October 2005 £'000 (3)	Forecast from 1 st November 2005 31 st March 2006 £'000 (4)	Projections for Year £'000 (5)	Projected Variance to Budget £'000 (6)
BENEFITS	19,984	11,674	8,670	20,344	360
LUMP SUMS	7,403	6,430	3,131	9,561	2,158
TRANSFER VALUES (NET)	700	106	1,178	1,284	584
OTHER	44	10	42	52	8
TOTAL PENSIONS GROSS EXPENDITURE	28,131	18,220	13,021	31,241	3,110
LESS CONTRIBUTIONS	(5,990)	(3,360)	(2,460)	(5,820)	170
TOTAL PENSIONS NET EXPENDITURE	22,141	14,860	10,561	25,421	3,280

RETIREMENT STATISTICS	Annual No.	To Date
BUDGETED NUMBER OF RETIREMENTS	100	58
ACTUAL NUMBER OF RETIREMENTS TO DATE		89
PROJECTED RETIREMENTS TO YEAR END	131	
VARIANCE	31	31

CAPITAL MONITORING STATEMENT TO END OF OCTOBER 2005

Scheme	Year	Approved Budget 14 Feb 2005 £000s	Adjustments £000s	Total £000s	Actuals to October 2005 £000s	Forecast £000s	Variance £000s
<u>LAND & BUILDINGS</u>							
HQ Relocation	1 of 1	100	0	100	4	180	+80
Stourbridge Refurbishment	1 of 3	616	0	616	4	416	-200
Deep Lift Well Alterations	1 of 5	72	0	72	0	72	-
Security Measures	2 of 2	50	0	50	6	50	-
BA Servicing Rooms-Upgrade	2 of 3	35	10	45	19	45	-
Equality & Diversity Works	2 of 3	100	20	120	28	120	-
Drill Tower Upgrades	2 of 4	50	0	50	5	50	-
Bournbrook Refurbishment	3 of 3	88	-18	70	51	70	-
Fallings Park Refurbishment	3 of 3	177	-152	25	22	25	-
Asbestos Removal	5 of 5	270	-20	250	20	250	-
Kit Racking	2 of 1	0	80	80	33	80	-
Bloxwich Essential Works	2 of 1	0	53	53	29	53	-
Binley Modifications	2 of 1	0	5	5	4	4	-1
West Bromwich PPE & Refurbishment	3 of 2	0	23	23	9	23	-
Foleshill CFS Facility	3 of 2	0	126	126	136	136	+10
HCFS Fire Experience Facility	4 of 1	19	0	19	2	19	-
Automatic Fire Detection	4 of 2	0	40	40	32	40	-
Wolverhampton Refurbishment	4 of 2	15	0	15	0	15	-
Northfield Refurbishment	5 of 3	25	0	25	0	25	-
West Bromwich Training Facility	2 of 1	0	39	39	35	39	-
Carbonaceous Training Facility	1 of 1	0	70	70	0	77	+7
Retentions (Completed Schemes)	Ongoing	0	13	13	2	13	-
Sheldon YFA Building	1 of 1	0	40	40	0	40	
<u>ICT</u>							
Integrated Computer System	2 of 4	750	292	1,042	500	1,042	-
Wide Area Network Enhancement	3 of 2	65	-34	31	29	29	-2
MDT Hardware Replacement	3 of 2	25	380	405	292	405	
<u>EQUIPMENT</u>							
Home Fire Risk	2 of 4	310	87	397	41	247	-150
HQ Compressor Replacement	1 of 1	0	22	22	23	23	+1
<u>VEHICLES</u>							
Vehicle Replacement Programme							
Vehicles Funded by Grant/Sponsorship	Ongoing	1,153	432	1,585	757	1,585	-
	1 of 1	0	12	12		12	
Grand Total		3,920	1,520	5,440	2,083	5,185	-255
<u>RESOURCES AVAILABLE</u>							
Supported Capital Expenditure		3,661	0	3,661		3,661	-
Capital Grants/Contributions		310	72	382		232	-150
Capital Receipts		0	0	0		0	-
Revenue Funding		270	1,378	1,648		1,648	-
TOTAL		4,241	1,450	5,691		5,541	-150
SURPLUS(+) / DEFICIT(-)		321	(70)	251		356	+105