

# Monitoring of the Revenue Budget, including Prudential Indicators

## Report of the Treasurer

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202 or Joanne Coadey, Principal Accountant, on 01743 260215.

### 1 Purpose of Report

This report is part of the regular monitoring process undertaken throughout the year. It details the latest position on the revenue budget, recommending action where necessary, and also monitors the Fire Authority's Prudential Indicators.

### 2 Recommendations

The Fire Authority is asked to:

- a) Note the progress on the revenue budget;
- b) Approve the virements, set out in paragraph 4; and
- c) Note the Fire Authority's position against its Prudential Indicators

### 3 Background

As part of the regular monthly monitoring of the revenue budget, carried out by officers, net underspends were moved to balances following Fire Authority approval in October and December 2007.

This paper reports further movements as a result of monitoring to the end of December 2007. A summary of the revenue budget is attached as an appendix to this report.

Performance against the Fire Authority's Prudential Indicators is shown as part of the approved reporting process.



## 4 Revenue Budget Monitoring

Budget Variations following monitoring	£'000
<b><u>Executive</u></b>	
<b>Audit Commission</b> 2007/08 fees will not be covered in the current budget.	(10,000)
<b>Pensions</b> With just one ill-health retirement in 2007/08, charges to the Pensions Account will be lower than budgeted. It is proposed that this is added to reserves at the end of the year.	100,000
<b><u>Service Delivery</u></b>	
<b>Retained Duty System</b> Net underspends are expected in the following areas, as a result of the acceleration of recruitment occurring towards the end of the year:	
<b>Retaining Fee</b>	20,000
<b>Drills and Training</b>	30,000
<b>Turnout</b>	7,000
<b>Retained Loss of Earnings</b> An underspend was originally anticipated at the end of the year, however spend has increased, and is now expected to be fully spent.	(20,000)
<b><u>Resources</u></b>	
<b>Water</b> Current spend on water will not be contained within budgeted levels.	(22,000)
<b>Other</b> Various net underspends	23,000

In addition to the variances detailed above, a request has been made to your Chair to agree to the provision of additional thermal imaging cameras, to ensure availability on each appliance. If approved, the cost for this provision is £27,000.



## 5 Prudential Indicators

### a) **Authorised Limit for External Debt (£8,474,000)**

The prudential indicator of £8,474,000 includes a provision for temporary borrowing, should the receipt of revenue money be delayed. The limit currently stands at £4,722,000.

### b) **Operational Boundary (£6,005,000)**

This boundary, unlike the Authorised Limit, can be exceeded, although this would trigger an investigation or explanation. Borrowing is well within the Boundary at £5,360,000.

The Authority's Treasury Services providers have advised that rates are likely to be particularly favourable in the short term, and it may be an opportune time to borrow our remaining requirement for 2007/08, as well as a proportion of the requirement for the following year. This would not cause problems in terms of prudential borrowing, as, although the Operational Boundary would be exceeded, this is permissible, because borrowing against future years' Capital Financing Requirements is available. The outcome will be reported to Members.

### c) **Capital Financing Requirement (£5,474,000)**

The capital financing requirement is £4,722,000. Future borrowing on the capital programme is unlikely to see the original indicator exceeded.

### d) **Net Borrowing**

Currently borrowing of £5,360,000 compares with investments of £6,670,000, i.e. well within the capital finance requirement.

## 6 Financial Implications

The financial implications are as set out in this report.

## 7 Legal Comment

There are no direct legal implications arising from this report.

## 8 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.



## 9 Appendix

Shropshire and Wrekin Fire Authority Budget Monitoring Report to  
31 December 2007

## 10 Background Papers

There are no background papers associated with this report.

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*



**Appendix** to report on  
Monitoring of Revenue Budget, including  
Prudential Indicators  
Shropshire and Wrekin Fire Authority  
13 February 2008

**Shropshire and Wrekin Fire Authority  
Budget Monitoring Report to 31 December 2007**

	Budget	Spend	Committed	Balance	% Spent
<b>Key Business Areas</b>					
<b>Executive</b>					
Executive	58,525	50,651	753	7,121	88%
Members	80,695	62,076	402	18,217	77%
Insurance and Legal	366,095	341,857	100	24,138	93%
Income	-579,361	-369,252	0	-210,109	64%
Financial Services and Leasing	589,710	320,708	0	269,002	54%
Pensions	394,620	221,037	0	173,583	56%
Non pay budget	515,664	406,040	1,255	281,951	79%
Pay - Executive	601,041	448,727		152,314	75%
Pay budget	601,041	448,727	0	152,314	75%
<b>Contingency</b>	150,000			150,000	
<b>Service Delivery</b>					
Community Fire Safety	31,650	12,911	2,090	16,649	47%
Arson and Business Safety	23,280	-33,169	0	56,449	-142%
Road Safety	30,830	4,649	3,160	23,021	25%
Fire Control Convergence	95,301	7,126	0	88,175	7%
Non pay budget	85,760	-15,609	5,250	96,119	-12%
Pay - District Performance	9,348,837	6,658,733		2,690,104	71%
Pay - Operations	379,891	264,802		115,089	70%
Pay - Prevention	987,041	724,764		262,277	73%
Pay - Control	680,736	527,973		152,763	78%
Pay budget	11,396,504	8,176,272	0	3,220,233	72%
<b>Contingency</b>	265,500			265,500	
<b>Human Resources and Development</b>					
Occ Health, Pensions and HR	147,610	92,869	0	54,741	63%
Training and Development	455,534	242,502	0	213,032	53%
Equality and Diversity	25,500	10,582	0	14,918	41%
New Dimension	-33,894	-84,419	449	50,076	248%
Non pay budget	594,750	261,534	449	332,767	44%
Pay - Training and Development and HR	1,000,648	728,484		272,164	73%
Pay budget	1,000,648	728,484	0	272,164	73%
<b>Contingency</b>	-500			-500	
<b>Strategy and Performance</b>					
Performance Improvement	36,660	20,234	17,878	-1,452	104%
Communications	280,457	210,023	23,250	47,184	83%
Information Management	154,857	79,521	8,560	66,776	57%
Management of Risk	89,053	52,745	0	36,308	59%
Radio	203,160	160,013	0	43,147	79%
Regional Management Board	-42,068	-45,867	0	3,799	
Secondment Programme	0	16,181	0	-16,181	
Non pay budget	722,119	492,850	49,688	179,581	75%
Pay - Strategy and Performance	763,656	556,303		207,352	73%
Pay budget	763,656	556,303	0	207,352	73%
<b>Contingency</b>	107,000			107,000	
<b>Resources</b>					
Facilities	792,423	601,986	1,065	189,372	76%
Hydrants	148,200	-46,673	0	194,873	-31%
Equipment and Uniform	447,745	308,258	11,504	127,983	71%
Fleet Management	452,366	325,826	13,336	113,204	75%
Workshops	-129,264	-49,446	60	-79,878	38%
Non pay budgets	1,711,470	1,139,951	25,965	545,554	68%
Pay - Resources	443,192	329,873		113,319	74%
Pay budget	443,192	329,873	0	113,319	74%
<b>Contingency</b>	-35,000			-35,000	
<b>Pay and Prices Contingency</b>	94,038	0	0	94,038	0%
<b>General Fund</b>	175,000			175,000	
Non Pay Budgets	4,875,722	2,512,929	82,607	2,280,186	53%
Pay Budgets	14,183,038	10,239,660		3,943,378	72%
<b>Total</b>	<b>19,058,760</b>	<b>12,752,589</b>	<b>82,607</b>	<b>6,223,563</b>	<b>67%</b>
*Contingency total	487,000	0	0	487,000	