

## Budget Monitoring Process for 2007/08

### 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 outlines the proposed method of monitoring the revenue budget for 2007/08, to the Committee and to the Fire Authority

#### 2 Recommendations

The Committee is asked to note the proposed format for budget monitoring for the current year.

#### 3 Background

Over the last two years, significant improvements have been made to the Fire Authority's budget monitoring process. These changes have led to stronger financial management, and timely and effective decision making on the use of the Authority's resources.

These changes have also enabled officers to identify and rectify problem areas within their budgets, and to divert underspends to initiatives which have required additional funding.

Further changes are now proposed to the Committee, to continue to improve the effectiveness of monitoring in 2007/08.

#### 4 Process for 2007/08

Following the decision of the Fire Authority in February to approve its revenue budget in business areas, it is proposed that future budget monitoring reports also show the performance of each of these business areas, as well as providing a summary of the Authority's performance as a whole.



At the appendix, a high level summary report shows the budget and expenditure to date of the Authority as a whole, and this is then divided into business areas. The Pay and Price contingency is also reported separately, as this will be monitored independently of the business areas.

In addition, following detailed budget monitoring by budget holders and finance staff, members will continue to receive information about the significant movements within the budget which may result in unexpected variances and all the key budgets have been identified for specific attention. This exception reporting was cited as effective in last year's use of resources assessment, and proved extremely useful last year when diverting available funds to Community Fire Safety.

## **5 Virements**

Following approval of virements by the Fire Authority or its delegated officers, variations will continue to be taken to the General Fund, but these movements will now also be reported by business area. It is hoped that this development will demonstrate the impact that each area's activities have on the Authority's budget as a whole.

## **6 Balance Sheet Items**

The main balance sheet items will also be reported in addition to the position of the General Fund (i.e. the sum of Business Area Contingencies). Monitoring will concentrate on the reserves and provisions as well as those items relevant to Prudential Guidelines such as loans, investments and capital expenditure.

## **7 Financial Implications**

The financial implications are set out in this report.

## **8 Legal Comment**

There are no direct legal implications arising from this report.

## **9 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.

## **10 Appendix**

Budget Monitoring Summary



## 11 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	*



**Shropshire and Wrekin Fire Authority  
Budget Summary to XXX 2007**

	<b>Budget</b>	<b>Spend</b>	<b>Committed</b>	<b>Balance</b>	<b>% Spent</b>	<b>Projected (Under)/ Overspend</b>
<b>Key Business Areas</b>						
<b>Executive</b>						
Non pay budget	1,118,000			1,118,000	0%	
Pay budget	570,000			570,000	0%	
Contingency	0			0		
<b>Service Delivery</b>						
Non pay budget	125,000			125,000	0%	
Pay budget	11,003,000			11,003,000	0%	
Contingency				0		
<b>Human Resources and Development</b>						
Non pay budget	867,000			867,000	0%	
Pay budget	1,018,000			1,018,000	0%	
Contingency				0		
<b>Strategy and Performance</b>						
Non pay budget	804,000			804,000	0%	
Pay budget	741,000			741,000	0%	
Contingency				0		
<b>Resources</b>						
Non pay budgets	1,772,000			1,772,000	0%	
Pay budget	414,000			414,000	0%	
Contingency				0		
<b>Pay and Prices Contingency</b>	627,000			627,000	0%	
Non Pay Budgets	5,313,000			5,313,000	0%	
Pay Budgets	13,746,000			13,746,000	0%	
<b>Total</b>	<b>19,059,000</b>	<b>0</b>	<b>0</b>	<b>19,059,000</b>	<b>0%</b>	
*Contingency total	0	0	0	0		