

REPORT TO THE RESOURCES COMMITTEE

DATE: 26 NOVEMBER 2007

SUBJECT: BUDGET MONITORING REPORT FOR THE FINANCIAL YEAR 2007/08**SUMMARY:**

The report shows that as at 31 October 2007 there is an estimated under spend of 0.8% against the revenue budget, while capital expenditure, after allowing for slippage in the Llandrindod Wells scheme, is on target. Capital financing is within the limits set by the Prudential Indicators.

OBJECTIVES		IMPLICATIONS	
Trusted & Respect	Yes	Operational Risk Management	Yes
More than Emergencies	Yes	Community Risk Reduction	Yes
Saving Lives, Protecting Communities	Yes	Training & Development	Yes
Managing within Budget	Yes	Civil Contingencies	Yes
Improving Efficiency	Yes	Finance & Procurement	Yes
Resources to Priorities	Yes	H.R.	Yes
Alternative Resources	Yes	ICT	Yes
Managing People	Yes	Corporate Services	Yes
Integrated Management Planning	Yes	Transport	Yes
Partnership Working	Yes	Health & Safety	Yes
Effective & Empowered People	Yes	Premises	Yes
Sustainability & the Environment	Yes	Welsh Language	
Governance	Yes	Legal	

COMMENTS/OBSERVATIONS:

Budget monitoring concerns the whole Service.

RECOMMENDATIONS:

That the report be received.

BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:

2007/08 Budget, 2007/08 Capital Programme, the Financial Management System, the Prudential Indicators.

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**DIRECTOR OF FINANCE AND PROCUREMENT'S BUDGET
MONITORING REPORT FOR THE FINANCIAL YEAR 2007/08****(1) Revenue monitoring report for the period 1st April to 31 October 2007
(Appendix 1)**

The report compares expenditure to date with the 2007/08 Budget, profiled for 7 months. Expenditure to date is the actual expenditure recorded on the financial ledger and commitments recorded in the ledger by the new procurement system.

On this basis, a current under spend of £324k (0.8% of the net budget) is shown by the report. However, this current under spend will be eroded during the year because:

- The new procurement system has only just come into operation and there is a small back log of commitments that have not yet appeared on the ledger.
- The profiling does not take account of seasonal variations in spending. Expenditure tends to be greater in the later months of the financial year.

In 2007/08 there has been a change in the way that Fire Fighter pensions are accounted for. The new scheme has resulted in an employer contribution now being charged against the revenue budget. This contribution, along with employee contributions and any other pension income are taken to a separate pension fund. Pensions and other pension expenditure is paid out of this Fund. Any balances on the fund are made good by, or paid over to the Welsh Assembly. However injury awards and ill health allowances are outside this scheme and have to be funded from revenue. The exact cost of any new injury awards and ill health allowances can not be estimated.

Also, Retained Duty Staff are now eligible to join the pension scheme with a resultant increase in employer contributions. The level of take up and the increase in costs can not be predicted with any certainty.

The under spend currently predicted will provide a buffer against these costs, with any balance at year end taken to a reserve.

**(2) capital monitoring report for the period 1st April to 31 October 2007
(Appendix 2)**

The report summarises the expenditure on capital projects to date against the Approved Capital Programme

(3) Prudential Indicators

Capital financing is within the limits set by the Prudential Indicators

MID AND WEST WALES FIRE AND RESCUE AUTHORITY								APPENDIX 1	
REVENUE BUDGET MONITORING REPORT 2007/08									
7 MONTHS TO OCTOBER 2007									
A	C	D	E	F	G	H	I	J	K
	2007/08	PROFILED	RECORDED	COMMITTED	TOTAL	-SURPLUS/	ESTIMATED	ESTIMATED	PROJECTED
	APPROVED	BUDGET	EXPENDITURE	EXPENDITURE	EXPENDITURE	DEFICIT	COMMITMENTS	EXPENDITURE	-UNDER/
	BUDGET	to 26 Oct 07	to 26 Oct 07	to 26 Oct 07	to 26 Oct 07	FOR PERIOD	to year end	for the year	OVERSPEND
			PERIOD 7	PERIOD 7	(E+F)	(G-D)		(G+I)	(J-C)
	£	£	£	£	£	£	£	£	£
OPERATIONAL									
EMPLOYEES - FULL-TIME	20,093,106	11,681,796	11,497,950	0	11,497,950	-183,846	8,279,991	19,777,941	-315,165
EMPLOYEES - RETAINED	5,508,323	2,794,978	2,879,160	0	2,879,160	84,182	2,773,475	5,652,635	144,312
EMPLOYEES - OTHER COSTS	693,485	321,312	255,252	0	255,252	-66,060	324,988	580,240	-113,245
PREMISES	1,567,643	981,560	816,098	165,462	981,560	0	586,083	1,567,643	0
TRANSPORT	1,339,240	781,223	718,601	0	718,601	-62,622	620,639	1,339,240	0
INSURANCE	558,114	548,324	525,717	0	525,717	-22,607	32,397	558,114	0
SUPPLIES AND SERVICES	3,064,254	1,800,052	1,704,514	6,243	1,710,757	-89,295	1,353,497	3,064,254	0
LEASING	2,300,533	1,288,451	1,301,402	0	1,301,402	12,951	999,131	2,300,533	0
GROSS OPERATIONAL COSTS	35,124,698	20,197,696	19,698,694	33,533	19,732,227	-327,297	14,970,201	34,840,600	-284,097
INCOME	-901,016	-525,593	-546,337	0	-546,337	-20,744	-354,679	-901,016	0
NET OPERATIONAL COSTS	34,223,682	19,672,103	19,152,357	33,533	19,185,890	-348,041	14,615,522	33,939,584	-284,097
CONTROL ROOM	1,412,157	815,007	816,443	0	816,443	1,436	595,714	1,412,157	0
ADMIN & TECHNICAL SERVICES	3,195,550	1,838,934	1,847,868	0	1,847,868	8,934	1,347,682	3,195,550	0
MANUAL	257,975	146,815	165,133	0	165,133	18,318	124,244	289,377	31,402
CENTRAL SUPPORT	176,205	1,053	1,053	0	1,053	0	175,152	176,205	0
PENSIONS	718,265	39,821	34,986	0	34,986	-4,835	683,279	718,265	0
TOTAL NON-OPERATIONAL COSTS	5,760,152	2,841,630	2,865,483	0	2,865,483	23,853	2,926,071	5,791,554	31,402
CAPITAL FINANCING	958,602	182,703	182,703	0	182,703	0	775,899	958,602	0
GENERAL CONTINGENCY	100,000	0	0	0	0	0	100,000	100,000	0
TOTAL AUTHORITY EXPENDITURE	41,042,436	22,696,436	22,200,543	33,533	22,234,076	-324,188	18,417,492	40,789,740	-252,695
CONTRIBUTIONS FROM CONSTITUENT AUTHORITIES	-39,664,902	-23,137,860	-23,137,861	0	-23,137,861	-2	-16,527,041	-39,664,902	0
TRANSFER FROM ELECTIVE PENSION FUND	-1,377,533	0	0	0	0	0	-1,377,533	-1,377,533	0
TOTAL FUNDING	-41,042,435	-23,137,860	-23,137,861	0	-23,137,861	-2	-17,904,574	-41,042,435	0

MID AND WEST WALES FIRE AND RESCUE AUTHORITY**CAPITAL MONITORING REPORT 2007/08****7 MONTHS TO OCTOBER 2007****APPENDIX 2**

location and description	CAPITAL PROGRAMME £	EXPENDITURE to 31 Oct 07 £	PROJECTED to 31 Mar 08 £
LAND & BUILDINGS			
Llandrindod Wells Fire Station Replacement	500,000	4,867	80,000
Ammanford	0	0	100,000
HQ Retention	0	0	60,000
Equality, Diversity and Minor Works	370,000	251,156	370,000
	870,000	256,023	610,000
HYDRANT INSTALLATIONS			
New schemes	35,000	0	35,000
VEHICLES AND EQUIPMENT			
Rope	30,000		30,000
Computer Equipment	125,000	5,069	125,000
Broadband	30,000	0	30,000
Other	22,587	5,611	5,611
	207,587	10,680	190,611
	1,112,587	266,703	835,611