

**M. Pearson  
CLERK TO THE AUTHORITY**

**To: The Chair and Members of the  
Resources Committee**

**(see below)**

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**RESOURCES COMMITTEE**  
**(Devon and Somerset Fire and Rescue Authority)**

**Monday 29 November 2010**

A meeting of the Resources Committee will be held on the above date, **commencing at 10:00 hours in Conference Room B in Somerset House, Service Headquarters** to consider the following matters.

**M. Pearson  
Clerk to the Authority**

**PLEASE NOTE THAT A LARGE PRINT VERSION OF THIS AGENDA IS AVAILABLE  
ON REQUEST**

**A G E N D A**

1. **Apologies**
2. **Minutes** of the meeting of the Committee held on 21 October 2010 attached (Page 1).

3. **Items Requiring Urgent Attention**

Items which, in the opinion of the Chair, should be considered at the meeting as matters of urgency.

4. **Declarations of Interest**

Members are asked to consider whether they have any **personal/personal and prejudicial interests** in items as set out on the agenda for this meeting and declare any such interests at this time. *Please refer to the Note 2 at the end of this agenda for guidance on interests.*

**PART 1 – OPEN COMMITTEE**

**5. Revenue Budget Monitoring Report 2010/11**

Report of the Treasurer (RC/10/17) attached (Page 7)

**PART 2 – ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PRESS AND PUBLIC**

**6. Nil**

**MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER**

**Membership:-**

Councillors Gordon (Chair), Yeomans (Vice Chair), Horsfall, Hughes OBE, Smith, Turner and Woodman

**Substitute Members**

Members are reminded that, in accordance with Standing Order 36, the Clerk (or his representative) MUST be advised of any substitution prior to the start of the meeting.

## **NOTES**

### **1. ACCESS TO INFORMATION**

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact Sam Sharman on the telephone number shown at the top of this agenda.

### **2. DECLARATIONS OF INTERESTS BY MEMBERS**

#### ***What Interests do I need to declare in a meeting?***

As a first step you need to declare any personal interests you have in a matter. You will then need to decide if you have a prejudicial interest in a matter.

#### ***What is a personal interest?***

You have a personal interest in a matter if it relates to any interests which you must register, as defined in Paragraph 8(1) of the Code.

You also have a personal interest in any matter likely to affect the well-being or financial position of:-

- (a) you, members of your family, or people with whom you have a close association;
- (b) any person/body who employs/has employed the persons referred to in (a) above, or any firm in which they are a partner or company of which they are a director;
- (c) any person/body in whom the persons referred to in (a) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of which you are a Member or in a position of general control or management and which:-
  - you have been appointed or nominated to by the Authority; or
  - exercises functions of a public nature (e.g. a constituent authority; a Police Authority); or
  - is directed to charitable purposes; or
  - one of the principal purposes includes the influence of public opinion or policy (including any political party or trade union)

**more** than it would affect **the majority** of other people in the Authority's area.

Anything that could affect the quality of your life (or that of those persons/bodies listed in (b) to (d) above) either positively or negatively, is likely to affect your/their "well being". If you (or any of those persons/bodies listed in (b) to (d) above) have the potential to gain or lose from a matter under consideration – to a **greater extent** than **the majority** of other people in the Authority's area - you should declare a personal interest.

#### ***What do I need to do if I have a personal interest in a matter?***

Where you are aware of, **or ought reasonably to be aware of**, a personal interest in a matter you must declare it when you get to the item headed "Declarations of Interest" on the agenda, or otherwise as soon as the personal interest becomes apparent to you, **UNLESS** the matter relates to or is likely to affect:-

- (a) any other body to which you were appointed or nominated by the Authority; or
- (b) any other body exercising functions of a public nature (e.g. membership of a constituent authority; other Authority such as a Police Authority);

of which you are a Member or in a position of general control or management. In such cases, provided you do not have a prejudicial interest, you need only declare your personal interest if and when you speak on the matter.

#### ***Can I stay in a meeting if I have a personal interest?***

You can still take part in the meeting and vote on the matter unless your personal interest is also a prejudicial interest.

#### ***What is a prejudicial interest?***

Your personal interest will also be a **prejudicial** interest if **all** of the following conditions are met:-

- (a) the matter is not covered by one of the following exemptions to prejudicial interests in relation to the following functions of the Authority:-
  - statutory sick pay (if you are receiving or entitled to this);
  - an allowance, payment or indemnity for members;
  - any ceremonial honour given to members;

- setting council tax or a precept; **AND**
- (b) the matter affects your financial position (or that of any of the persons/bodies as described in Paragraph 8 of the Code) or concerns a regulatory/licensing matter relating to you or any of the persons/bodies as described in Paragraph 8 of the Code); **AND**
- (c) a member of the public who knows the relevant facts would reasonably think your personal interest is so significant that it is likely to prejudice your judgement of the public interest.

***What do I need to do if I have a prejudicial interest?***

If you have a prejudicial interest in a matter being discussed at a meeting, you must declare that you have a prejudicial interest (and the nature of that interest) as soon as it becomes apparent to you. You should then leave the room unless members of the public are allowed to make representations, give evidence or answer questions about the matter by statutory right or otherwise. If that is the case, you can also attend the meeting for that purpose.

You must, however, leave the room **immediately after you have finished speaking (or sooner if the meeting so decides)** and you cannot remain in the public gallery to observe the vote on the matter. Additionally, you must not seek to **improperly influence** a decision in which you have a prejudicial interest.

***What do I do if I require further guidance or clarification on declarations of interest?***

If you feel you may have an interest in a matter that will need to be declared but require further guidance on this, please contact the Clerk to the Authority – preferably before the date of the meeting at which you may need to declare the interest. Similarly, please contact the Clerk if you require guidance/advice on any other aspect of the Code of Conduct.

## **RESOURCES COMMITTEE**

(Devon and Somerset Fire and Rescue Authority)

21 October 2010

### Present:-

Councillors Gordon (Chairman), Bown (vice Turner), Dyke (vice Horsfall), Healey (vice Hughes OBE), Smith, Woodman and Yeomans.

### Also in attendance:

Adam Burleton (SECTOR)

### Apologies:-

Councillors Horsfall, Hughes OBE and Turner.

### **\*RC/10. Minutes**

**RESOLVED** that the Minutes of the meeting held on 16 July 2010 be signed as a correct record.

### **\*RC/11. Declarations of Interest**

Members of the Committee were asked to consider whether they had any **personal/personal and prejudicial interests** in items as set out on the agenda for this meeting and declare any such interests at this time.

At this Councillor Woodman declared a personal but non-prejudicial interest in relation to those items relating to South West Fire Control Ltd., the Local Authority Controlled Company with overall governance responsibility for the South West Regional Control Centre, by virtue of his being a Director on the Company appointed by this Authority.

***(SEE ALSO MINUTE RC/ BELOW)***

### **RC/12. Financial Performance Report 2010/11**

(Councillor Woodman declared a personal but non-prejudicial interest in this item in so far as it related to South West Fire Control Ltd., the Local Authority Controlled Company with overall governance responsibility for the South West Regional Control Centre, by virtue of his being a Director on the Company appointed by this Authority).

The Committee considered a report of the Treasurer (RC/10/15) on the financial performance of the Authority and setting out indicative projected spending against the approved 2010/11 revenue budget.

Projections indicated that revenue spending would be £0.879m (1.17%) less than total budget. This projection was net of a proposed transfer of £0.726m to an Earmarked Reserve to provide a financial contingency towards budget setting during the next four years to assist the Authority in formulating its strategy to manage the impact of expected reductions in government grant from 2011/12.

The report provided explanations for the more significant variations against the budget in terms of underspends (wholetime pay costs [£0.406m]; retained staff [£0.120m]; non-uniformed staff [0.104m]; training expenses [£0.109m]; recovery of overpaid injury award pensions [£0.120m]; vehicle repair and maintenance costs [£0.077m]) and greater income on investment than initially projected (£0.074m).

The report also highlighted two proposed virements in excess of £150,000 which, in accordance with Financial Regulations, required Authority approval. The proposed virements related to:

- the establishment of a £0.726m Earmarked Reserve – the “Comprehensive Spending Review (CSR) 2010 Budget Strategy Reserve” – from 10% savings on non-salary budget lines in the approved 2010/11 revenue budget as identified by the officer Service Improvement Group; and
- the transfer to South West Fire Control Ltd (the Local Authority Controlled Company [LACC] established with overall governance responsibility for the South West Regional Control Centre) of the costs (£0.28m) associated with the employment of the Initial Staffing Pool (ISP), to be fully offset by a reduction in New Burdens grant to be payable directly to the LACC.

The report also proposed a revision to the approved capital programme 2010/11 to 2012/13 which would increase the overall programme from £15.389m to £15.934m and provide for the following additional three projects:

- enhancement of training facility at Station 60 (Urban Search and Rescue), Service Headquarters – total cost of £0.570m to be funded by Communities and Local Government (CLG) New Dimensions grant £0.470m) and rescheduling of other agreed capital projects £0.1m);
- diversity and equality enhancements – total cost of £0.034m to be funded entirely from specific CLG capital grant for such issues; and
- light vehicle purchase – total cost of £0.041m to be funded from contribution from approved 2010/11 revenue budget.

Although the revision represented an overall increase of £0.545m on overall capital spending, no additional borrowing would be required to fund the expenditure and consequently there would be no impact upon the agreed Prudential Indicators.

Monitoring of capital spending in 2010/11 indicated overall spending of £4.992m against a revised programme of £7.476m, resulting in slippage of £2.484m which, in relation to estates projects, would need to be carried forward to 2011/12 to fund completion of the projects. Slippage in relation to the fleet and equipment programme would be reviewed in light of the outcome of the Service Delivery Review and the implications of the CSR 2010 announcement.

The report also provided details of efficiency savings generated (in this respect, the combination of Devon & Somerset Fire & Rescue Services had realised savings of £3.6m against a projection of between £1.6 and £3.0m) and total debt outstanding as at 30 September 2010.

## **RESOLVED**

- (a) that, in accordance with Financial Regulations, the Authority be recommended to approve:

- (i) those virements in excess of £150,000 as identified in Section 8 of report RC/10/15 and summarised in the tables set out in Appendix A to these minutes; and
  - (ii) the revised Capital Programme for 2010/2011 to 2012/2013 as set out in paragraph 10.2 of the report and summarised in Appendix B to these Minutes;
- (b) That, subject to (a)(i) and (ii):
- (i) the budget monitoring position in relation to projected spending against the 2010/2011 revenue and capital budgets; and
  - (ii) the performance against the 2010/2011 financial targets,

as set out in the report be noted.

***(SEE ALSO MINUTE RC/11 ABOVE AND \*RC/14 BELOW)***

**\*RC/13. Treasury Management Performance 2010/11**

(Adam Burleton [SECTOR] in attendance for this item).

The Committee received for information a report of the Treasurer (RC/10/16) providing a summary – in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management – of the treasury management activities on behalf of the Authority for the second quarter of 2010/11.

The report indicated that none of the Prudential Indicators had been breached and that a prudent approach had been taken in relation to investment decisions taken so far, with priority being given to liquidity and security over yield. While investment returns had reduced when compared to the previous year, as a consequence of the fall in interest rates, the Authority was still achieving returns above the LIBID 7 day rate which was the benchmark return for that type of short-term investment.

**\*RC/14. Comprehensive Spending Review (CSR) 2010**

The Treasurer reported on the recent Government announcement in relation to the Comprehensive Spending Review and its potential impact on the Authority. Although final, authority-specific, grant settlement figures would not be announced until late November/early December, the Government had announced a 25% reduction (in cash terms) in fire service funding over a four year period, to be backloaded to years three and four. The overall reduction was in line with expectations and for this Authority amounted to approximately £7.8m by 2014/15.

The backloading element provided time for the Authority to carefully plan and duly evaluate options for addressing the overall reduction. The Treasurer also referred to the abolition of the capping regime from 2012/13 and its replacement with a requirement to conduct a public referendum on any proposals to increase the level of council tax beyond the government indicated limit. Reference was also made to the government-proposed “reward grant” of 2.5% for those authorities delivering a zero percent increase in council tax. Again, the Authority would need to carefully consider the implications of this.

In the meantime, the Treasurer reported that the Authority remained active in seeking at every opportunity to challenge the level of grant awarded to the Authority. More recently this had focussed on the proposed revision to the Fire Formula Grant and measures to have sparsity included as a factor which, if successful, should benefit the Authority.

***(SEE ALSO MINUTE RC/12 ABOVE).***

The meeting started at 10.00hours and finished at 11.02hours



**APPENDIX A TO THE MINUTES OF THE RESOURCES COMMITTEE 21 OCTOBER 2010**

**VIREMENTS IN EXCESS OF £150,000 REQUIRING AUTHORITY APPROVAL**

**(a) Establishment of CSR 2010 Budget Strategy Reserve**

<b>Budget Line</b>	<b>From £</b>	<b>To £</b>	<b>Reason</b>
Training Costs	(36,700)		
Wholetime uniform (Removal Expenses)	(10,000)		
Retained Firefighters (recruitment costs)	(10,000)		
Premises - Repair and Maintenance (Grounds Mtce)	(7,000)		
Energy Costs	(22,400)		
Cleaning Costs	(11,900)		
Rent and Rates	(140,500)		
Transport – Repair and Mtce	(23,800)		
Transport – Running Costs	(106,800)		
Travel and Subsistence (including Members expenses)	(20,200)		
Equipment and Furniture	(48,300)		
Communications	(50,700)		
Linen Hire	(900)		
Catering	(5,100)		
External Fees and charges	(2,800)		
Establishment Costs	(37,500)		
Advertising	(27,400)		
Insurances	(17,000)		
Support Service Contracts	(37,300)		
Capital Charges	(110,000)		
Earmarked Reserve		726,300	To make provision for a new Earmarked Reserve “CSR 2010 Budget Strategy Reserve”
<b>TOTAL</b>	<b>(726,300)</b>	<b>726,300</b>	

**(b) Initial Staffing Pool for Regional Control Centre**

<b>Budget Line</b>	<b>From £</b>	<b>To £</b>	<b>Reason</b>
Control Room staff	(280,000)		Transfer of ISP staff to the LACC.
Grants and Reimbursements		280,000	Transfer of New Burdens grant to the LACC
<b>TOTAL</b>	<b>(280,000)</b>	<b>280,000</b>	

**APPENDIX B TO THE MINUTES OF THE RESOURCES COMMITTEE 21 OCTOBER 2010**

**Revised Capital Programme 2010/11 to 2012/13**

<b>Capital Programme (2010/11 to 2012/13)</b>				
<b>Item PROJECT</b>	<b>2010/11 (£000)</b>	<b>2011/12 (£000)</b>	<b>2012/13 (£000)</b>	<b>Total 2010- 2013 (£000)</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b><u>Estate Development</u></b>				
1 Exeter Middlemoor	44			44
2 Exeter Danes Castle	169			169
3 SHQ major building/New Dimensions (USAR) major project	135			135
4 Major building works	0	1,000	1,000	2,000
5 Minor improvements & structural maintenance	2,761	650	750	4,161 *
6 Welfare facilities 2009/10	127			127
7 Diversity & equality	34			34 *
8 New Dimensions (USAR) works	150	420		570 *
9 Other building works	5			5
<b>Estates Sub Total</b>	<b>3,425</b>	<b>2,070</b>	<b>1,750</b>	<b>7,245</b>
<b><u>Fleet &amp; Equipment</u></b>				
10 Appliance replacement	2,061	2,119	2,119	6,299
11 Specialist Operational Vehicles	1,163			1,163
12 Vehicles -funded from revenue (new)	41			41 *
13 Equipment	634	200	200	1,034
14 Asset Management Plan (Miquest) software	152			152
<b>Fleet &amp; Equipment Sub Total</b>	<b>4,051</b>	<b>2,319</b>	<b>2,319</b>	<b>8,689</b>
<b>Overall Capital Totals</b>	<b>7,476</b>	<b>4,389</b>	<b>4,069</b>	<b>15,934</b>
<b><u>Programme funding</u></b>				
Main programme	5,926	4,069	4,069	14,064
Revenue funds	41	0	0	41 *
Grants	1,377	320	0	1,697 *
Earmarked Reserves	132	0	0	132
	<b>7,476</b>	<b>4,389</b>	<b>4,069</b>	<b>15,934</b>

*\* reflects revision from previously agreed programme*



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

<b>REPORT REFERENCE NO.</b>	RC/10/17
<b>MEETING</b>	RESOURCES COMMITTEE
<b>DATE OF MEETING</b>	29 NOVEMBER 2010
<b>SUBJECT OF REPORT</b>	REVENUE BUDGET MONITORING REPORT 2010/2011
<b>LEAD OFFICER</b>	TREASURER
<b>RECOMMENDATIONS</b>	<p>(a) <i>That it be recommended to the next meeting of the Devon and Somerset Fire and Rescue Authority that the budget virements outlined in paragraph 8.1 of this report be approved;</i></p> <p>(b) <i>That, subject to (a) above, the budget monitoring position in relation to projected spending against the 2010/2011 revenue budget be noted.</i></p>
<b>EXECUTIVE SUMMARY</b>	<p>This is the third revenue budget monitoring report to be considered for the current financial year which provides an indication of projected spending against the 2010/2011 agreed revenue budget.</p> <p>At this stage, projections indicate that revenue spending will be £0.991m less than budget, equivalent to 1.32% of the total budget.</p> <p>The previous report considered at the last meeting of Resources Committee held on the 21 October 2010, was part of the half-year Financial Performance Report 2010-2011, which also included forecast performance against other financial indicators such as Prudential Indicators, aged debt and payment of invoices. The next full Financial Performance Report will be considered at the next meeting of this Committee to be held in February 2011, based on the position at the end of December 2010.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated in the report.
<b>EQUALITY IMPACT ASSESSMENT</b>	An initial assessment has not identified any equality issues emanating from this report.

<b>APPENDICES</b>	Appendix A – Subjective Analysis of 2010/2011 Revenue Spending.
<b>LIST OF BACKGROUND PAPERS</b>	Personal Preventative Equipment (PPE) Replacement – Integrated Clothing Project (ICP) Report RC/09/9 to Resources Committee 16 November 2010.

## **1. INTRODUCTION**

- 1.1 This report provides a further update of projected spending against the agreed revenue budget for 2010/2011, based upon the spending position as at 31 October 2010. The last report was considered at the last meeting of Resources Committee held on the 21 October 2010 as part of the half-year Financial Performance Report.
- 1.2 Current projections are for total revenue spending in 2010/2011 to be £74.144m, as compared to an approved budget of £75.135m, representing an underspend of £0.991m (previous projection of £0.879m), equivalent to 1.32% of the total budget.
- 1.3 It should be emphasised that this underspend position is net of a transfer of £0.726m to an Earmarked Reserve 'CSR 2010 Budget Strategy Reserve' from savings already achieved in the current year, as agreed at the last meeting of Resources Committee, held on the 21 October 2010, and ratified at the full Authority meeting held on the 3 November 2010.
- 1.4 Given the announcement within the Comprehensive Spending Review (CSR 2010), that the Fire and Rescue Service can expect a 25% reduction in government grants over the next four years., it is pleasing that the Authority has already identified an amount of £0.726m to be utilised to assist budget planning over the next four years.
- 1.5 Much of this underspend has been achieved as a direct result of managers reducing spending to essential areas only in view of the forecasted savings required. The savings 'in year' will offset the level of budget reductions required in future years and details as to additional budget savings will be consulted on shortly as part of the 2011/12 budget setting process.
- 1.6 The latest projection is based upon the spending position at the end of October 2010, historical trends, and information from budget managers on known commitments. It should be noted that whilst every effort is made for projections to be as accurate as possible, some budget lines are susceptible to volatility in spending patterns during the year, in particular retained pay costs which are linked to activity levels, and it is inevitable therefore that final spending figures for the financial year will differ than those projected in this report. Appendix A provides an analysis of projected spending against each of the subjective budget headings, and explanations of the more significant variations from budget are explained below in paragraphs 2 to 7 below.

## **2. EMPLOYEE COSTS**

### Wholetime Staff

- 2.1 At this stage spending against wholetime pay costs is anticipated to be £0.400m less than budget, based on the assumption of a zero pay increase from July 2010, as compared to the 1.0% provision that had been made in setting the 2010/2011 budget.

### Retained Staff

- 2.2 Spending is forecast to be £0.104m under budget primarily from assumed savings from a zero per cent pay award. In making this projection an assumption has also been made that activity levels in the remainder of the financial year are consistent with the average for the same period for the last three financial years. It should be emphasised that by its very nature retained pay costs can be subject to significant variations e.g. volatility to spending caused from spate weather conditions.

### Non-Uniformed Staff

- 2.3 The saving of £0.114m against non-uniformed pay costs again makes an assumption that the national pay settlement will result in a zero pay award from April 2010. Further savings from this budget line result from the Senior Management restructure which resulted in the deletion of two non-uniformed posts.

### Training Expenses

- 2.4 A projected underspend of £0.096m from training costs is as a result of an anticipated slippage in the delivery of courses.

### Fire Service Pension Costs

- 2.5 It is anticipated that Fire Service Pension costs will be £0.111m less than budget as a result of the recovery of overpaid pensions relating to injury awards.

## **3. TRANSPORT RELATED COSTS**

### Repair and Maintenance

- 3.1 At this stage it is projected that savings of £0.077m will be achieved against vehicle repair and maintenance costs.

## **4. PREMISES RELATED COSTS**

### Energy Costs

- 4.1 It is anticipated that energy costs will be £0.080m less than budget as a result of the impact of carbon management initiatives introduced during 2010 e.g. installation of smart meters into stations to monitor usage.

## **5. SUPPLIES AND SERVICES**

### Uniforms and Personal Protective Equipment

- 5.1 Members may recall that a previous decision was taken by the Authority (report RC/09/9 to Resources Committee 16 November 2009 refers) to implement the Integrated Clothing Project (ICP) as a replacement for the previous Personal Protective Equipment (PPE) contract which expired last year. In terms of the funding of this project it had been agreed that an amount of £0.357m would be set aside from an anticipated underspend against the 2009/2010 revenue budget, to part fund the total additional costs. In the event, the final outturn position for 2009/2010 did not provide sufficient underspend for this total amount to be set aside, and only £0.066m was able to be set aside, leaving the project £0.291m short of its implementation plan. The projections included in this report provide for this shortfall to be funded from the 2010/2011 revenue budget.

## **6. INCOME**

### Treasury Management Investment Income

- 6.1 At this stage it is anticipated that investment income will be £0.076m more than budgeted for, as a result of an improved cash flow position following early borrowing in the financial year when borrowing rates were particularly low.

### Grants and Reimbursements

- 6.2 It is anticipated that additional partnership funding over and above budget will be achieved to support community fire safety initiatives.

### Other Income

- 6.3 It is anticipated that income targets are unlikely to be achieved this financial year as a result of the economic downturn. At this stage it is forecast that the income levels will be £0.174m short of the budgeted target, primarily from a drop in training course income.

## **7. CONTRIBUTION TO/FROM RESERVES**

- 7.1 In anticipation of reductions in government grant levels over the next four years from 2011/2012, an exercise to identify in-year savings of 10% from non-pay budget heads has been carried out by the officer led Service Improvement Group (SIG). This exercise involved all budget managers throughout the organisation scrutinising their devolved budget areas and making proposals to SIG for reductions of 10% savings. Each of the proposals were then risk assessed by the Senior Management Board to assess the impact of each proposal against the Corporate Plan and Service Delivery.

- 7.2 The total savings identified from this exercise amounts to £0.726m. The range of proposals varied from the smaller savings from better local management of costs e.g. travel, utilities, equipment, conference/seminars attendance, to the larger savings from cessation of non-essential work programmes or deferral of projects e.g. savings on leasing costs from the extension of the life of existing vehicles and equipment.

- 7.3 At the meeting of the Fire and Rescue Authority meeting, held on the 3 November 2010, it was approved that this total saving of £0.726m be transferred to an Earmarked Reserve, to be called 'CSR 2010 Budget Management Reserve', to be utilised to provide some financial contingency towards the budget strategy to be adopted in response to the reductions in government grants over the next four years from 2011/2012.

## **8. BUDGET VIREMENTS**

- 8.1 Financial Regulations stipulate that in-year virements between subjective budget lines in excess of £50,000 require the approval of the Resources Committee, and the full Authority where the amount exceeds £150,000 (Regulations A19 and A20 refers). Table 1 overleaf provides details of two proposed virements, both of which exceed £150,000 in total, and therefore require the approval of the full Authority.

**TABLE 1**

Budget Line	From £m	To £m	Reason
Grants and Reimbursements  Communications	(0.293)	0.293	<p>Up until June 2010 the Department of Communities and Local Government (CLG) have paid for the annual Service Fees associated with the usage of the new national radio system (Firelink).</p> <p>From July 2010 the charging arrangements have changed so as individual FRSs will now be charged for their share of the regional Service Fees. For 2010-11 the total charge for DSFRA will be £0.506m. The CLG will fund the difference between this cost and the cost of legacy radio systems, which are already included in the base budget, through New Burdens grant. For DSFRA the amount of New Burdens grant has been announced as £0.293m,</p> <p>This proposed virement is to increase the Communications budget line by £0.293m to fund the cost of Firelink charges over and above existing budget, with a corresponding increase in the Grants and Reimbursements income budget.</p>
Furniture and Equipment  External Fees and Services	(0.258)	0.258	<p>Included in the base budget for this financial year is an allocation of £0.555m to fund the initial costs associated with the business transformation programme.</p> <p>This proposed virement is to move an amount of £0.258m from the ICT Equipment budget line to External Fees and Services to reflect the change in how the original allocation for the business transformation programme is to be spent.</p> <p>The total sum for business transformation allocated by the Fire Authority remains the same.</p>

8.2 For presentation purposes the impact of these two virements has already been included in Appendix A on the basis that they are both approved.

## 9. **SUMMARY OF REVENUE SPENDING**

9.1 Given the announcement within the Comprehensive Spending Review (CSR 2010), that fire and rescue authorities can expect a 25% reduction in government grants over the next four years, it is pleasing that the Authority has already secured savings of £0.726m from in-year savings which has been set aside to an Earmarked Reserve, to be utilised to assist budget planning over the next four years.



- 9.2 Even after this transfer the revenue position is still one of a forecast underspend position of £0.991m (primarily from a zero pay award). This Committee will be asked to consider how the final underspend position is to be utilised at its meeting to be held in May 2011, after the year-end.
- 9.3 Further updates of forecast spending will be provided at each future meeting of Resources Committee, together with any proposed actions in relation to significant variations from budget.

**KEVIN WOODWARD**  
**Treasurer**

## Revenue Budget Monitoring Report 2010/11

Line No	SPENDING	2010/11	Year To	Spending to	Projected	Projected
		Budget	Date Budget	Month 7	Outturn	Variance over/ (under)
		£000 (1)	£000 (2)	£000 (3)	£000 (4)	£000 (5)
	<b>EMPLOYEE COSTS</b>					
1	Wholetime uniform staff	32,568	18,896	18,747	32,168	(400)
2	Retained firefighters	12,181	7,063	6,628	12,077	(104)
3	Control room staff	2,160	1,251	1,192	2,092	(68)
4	Non uniformed staff	9,234	5,386	5,273	9,120	(114)
5	Training expenses	1,183	691	706	1,087	(96)
6	Fire Service Pensions recharge	1,939	1,346	1,353	1,828	(111)
		<b>59,265</b>	<b>34,633</b>	<b>33,899</b>	<b>58,372</b>	<b>(893)</b>
	<b>PREMISES RELATED COSTS</b>					
7	Repair and maintenance	1,062	619	499	1,012	(50)
8	Energy costs	626	365	167	546	(80)
9	Cleaning costs	380	221	139	356	(24)
10	Rent and rates	1,238	984	754	1,240	2
		<b>3,306</b>	<b>2,189</b>	<b>1,559</b>	<b>3,154</b>	<b>(152)</b>
	<b>TRANSPORT RELATED COSTS</b>					
11	Repair and maintenance	674	393	203	597	(77)
12	Running costs and insurances	1,088	675	525	1,088	-
13	Travel and subsistence	1,502	777	619	1,452	(50)
		<b>3,264</b>	<b>1,845</b>	<b>1,347</b>	<b>3,137</b>	<b>(127)</b>
	<b>SUPPLIES AND SERVICES</b>					
14	Equipment and furniture	2,390	1,546	1,282	2,389	(1)
15	Hydrants-installation and maintenance	115	67	43	90	(25)
16	Communications	1,423	809	798	1,414	(9)
17	Uniforms	1,060	618	358	1,351	291
18	Catering	244	142	104	195	(49)
19	External Fees and Services	439	105	131	440	1
20	Partnerships & regional collaborative projects	120	70	24	120	-
21	USAR Equipment	25	15	1	25	-
		<b>5,816</b>	<b>3,372</b>	<b>2,741</b>	<b>6,024</b>	<b>208</b>
	<b>ESTABLISHMENT COSTS</b>					
22	Printing, stationery and office expenses	430	264	178	405	(25)
23	Advertising	54	32	9	26	(28)
24	Insurances	319	267	176	318	(1)
		<b>803</b>	<b>563</b>	<b>363</b>	<b>749</b>	<b>(54)</b>
	<b>PAYMENTS TO OTHER AUTHORITIES</b>					
25	Support service contracts	617	334	310	638	21
		<b>617</b>	<b>334</b>	<b>310</b>	<b>638</b>	<b>21</b>
	<b>CAPITAL FINANCING COSTS</b>					
26	Capital charges	4,858	2,184	918	4,782	(76)
27	Revenue Contribution to Capital spending	0	0	0	41	41
		<b>4,858</b>	<b>2,184</b>	<b>918</b>	<b>4,823</b>	<b>(35)</b>
28	<b>TOTAL SPENDING</b>	<b>77,929</b>	<b>45,120</b>	<b>41,137</b>	<b>76,897</b>	<b>(1,032)</b>
	<b>INCOME</b>					
29	Treasury management investment income	(70)	(41)	(53)	(146)	(76)
30	Grants and Reimbursements	(2,357)	(1,009)	(1,839)	(2,414)	(57)
31	Other income	(1,025)	(598)	(489)	(851)	174
32	Internal Recharges	(68)	(39)	(32)	(68)	-
33	Contribution to Earmarked Reserve	726	24	0	726	-
34	<b>TOTAL INCOME</b>	<b>(2,794)</b>	<b>(1,663)</b>	<b>(2,413)</b>	<b>(2,753)</b>	<b>41</b>
35	<b>NET SPENDING</b>	<b>75,135</b>	<b>43,457</b>	<b>38,724</b>	<b>74,144</b>	<b>(991)</b>