

# DEVON & SOMERSET FIRE & RESCUE AUTHORITY



<b>REPORT REFERENCE NO.</b>	RC/11/5
<b>MEETING</b>	RESOURCES COMMITTEE
<b>DATE OF MEETING</b>	18 MAY 2011
<b>SUBJECT OF REPORT</b>	FINANCIAL PERFORMANCE REPORT 2010-2011
<b>LEAD OFFICER</b>	Treasurer to the Authority
<b>RECOMMENDATIONS</b>	<p>(a) <i>That the Fire &amp; Rescue Authority at its meeting on 27 May 2011 be recommended to approve that the underspend against the 2010-11 revenue budget of £1.375m be utilised to fund the following additional transfers to Earmarked Reserves, as outlined in paragraph 11.1 of this report;</i></p> <p>(i) <i>That an amount of £0.896m be transferred to the Change and Improvement Reserve, and;</i></p> <p>(ii) <i>That the remaining underspend of £0.479m be transferred to the Comprehensive Spending Review (CSR) 2010 Budget Strategy Reserve.</i></p> <p>(b) <i>that, subject to (a) above, the following be noted:</i></p> <p>(i) <i>The draft position in respect of the 2010-2011 Revenue and Capital Outturn, as indicated in this report.</i></p> <p>(ii) <i>That the underspend figure against the revenue budget of £1.375m includes;</i></p> <ul style="list-style-type: none"> <li>• <i>a transfer to of £0.726m to the Earmarked Reserve of CSR 2010 Budget Management Reserve, as agreed in-year by the Authority.</i></li> <li>• <i>a transfer of £0.657m to the Earmarked Reserve of 2010-11 Carry Forwards Reserve to fund committed projects not delivered by 31 March 2011.</i></li> <li>• <i>a transfer of £1.374m to the Earmarked Reserve of Grants Unapplied Reserve, as required under new International Financial Reporting Standards (IFRS).</i></li> </ul>

	<ul style="list-style-type: none"> <li>• <i>an increase of £0.556m in the Provision set aside to fund the impact of the Employment Tribunal relating to the Part Time Workers (Less than Favourable Working Conditions), as outlined in paragraph 3.4 of this report.</i></li> </ul> <p><b>(iii) The performance against the 2010-2011 financial targets.</b></p>
<b>EXECUTIVE SUMMARY</b>	<p>This report provides an updated position in relation to the Authority's performance against the agreed financial targets for the financial year 2010-2011, based upon the position at the end of the fourth quarter i.e. as at 31 March 2011.</p> <p>In particular, the report provides a draft financial outturn position against the 2010-2011 revenue budget, which indicates that spending is £1.375m less than budget, equivalent to 1.83% of the total budget. It should be noted that at this stage the outturn can only be regarded as provisional as some figures are still to be verified. A final outturn position will be considered at the full Authority meeting to be held on the 27 May 2011.</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>	<p>A. Summary of Forecast Performance against 2010-2011 Financial Targets.</p> <p>B. Subjective Analysis of 2010-2011 Revenue Spending.</p> <p>C. Summary of Reserves and Balances as at 31 March 2011.</p> <p>D. Capital Monitoring Statement 2010-2011.</p>
<b>LIST OF BACKGROUND PAPERS</b>	Financial Performance Report 2010-2011 (RC/11/1) to Resources Committee 28 January 2011.

## 1. **INTRODUCTION**

1.1 This Committee has received quarterly reports during the financial year to consider performance against agreed financial targets for 2010-11. This latest report is the final report based upon the position at the end of March 2011. As well as providing a draft outturn position against the 2010-11 revenue budget, the report also includes an analysis of performance against other financial indicators, e.g. external borrowing and treasury management indicators.

1.2 The report is presented in three sections;

**SECTION A** – Revenue Budget 2010-11.

**SECTION B** – Capital Budget and Prudential Indicators 2010-11.

**SECTION C** – Other Financial Indicators.

1.3 Appendix A to this report provides a summary of performance against each of our targets. The key issues relating to our forecast performance against each of these targets are explained within each section of this report.

## 2. **SECTION A - REVENUE BUDGET 2010-2011**

2.1 Appendix B provides a summary of the draft outturn position against the 2010-11 revenue budget. This reports spending to be £73.760m, as compared to an approved budget of £75.135m, representing an underspend of £1.375m, equivalent to 1.83% of the total budget. It should be noted that at the time of writing this report the outturn position can only be regarded as draft, as some of the figures are still subject to verification. The final outturn position will be reported to the meeting of the full Fire Authority to be held on the 27 May 2011.

2.2 An underspend of this size is of course a very good outcome, and is largely as a result of instructions given to budget holders, by the Chief Fire Officer and Senior Management Board, that only essential spending should be undertaken in year on non-salary budget lines. This has resulted in budget managers trimming back spend across the whole organisation, therefore delivering in-year savings which can be set aside now, and used to assist future budgets in 2013-14 and 2014-15, when more severe reductions in Fire Service grants are anticipated. This is in addition to savings on employee costs as a result of a zero percent pay award in 2010, which is less than forecasted when the budget was set.

2.3 Proposals on how to utilise the underspend are contained in paragraph 11.1 of this report.

2.4 It should be emphasised that the projected underspend figure already includes the impact of the agreed transfer of £0.726m to an Earmarked Reserve (CSR 2010 Budget Strategy Reserve). The figure of £0.726m has been generated from efficiency savings identified by the officer-led Service Improvement Group (SIG). In anticipation of reductions in government grant levels over the next four years from CSR 2010, an exercise to identify in-year savings of 10% from non-salary budget heads has been undertaken by SIG. This exercise involved all budget managers throughout the organisation scrutinising their local budgets 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.

2.5 The range of proposals varies 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.

2.6 An analysis of spending against all approved budget lines is shown in Appendix B. It is inevitable that there will be variations against individual budget lines, due to changing circumstances, volatility associated with some budget lines, and the instruction to budget holders to only commit spending that is deemed to be essential. Details of the major variations against individual budget lines are explained in paragraphs 3 to 9 below

### **3. EMPLOYEE COSTS**

#### ***Wholetime Staff***

3.1 Spending against wholetime pay costs is £0.367m less than budget, primarily as a consequence of a zero pay increase from July 2010, as compared to the 1.0% provision that had been made in setting the 2010-11 budget.

#### ***Retained Staff***

3.2 Spending on retained pay costs is shown as £0.474m over budget, however it should be noted that this figure includes additional provision of £0.556m for future costs in relation to the impact of the employment tribunal case made in 2010 under the Part-Time Workers (Less than Favourable Working Conditions) Regulations. Members will recall that the Tribunal eventually ruled that the claimants were engaged in broadly the same work as their named comparators (wholetime firefighters) and that they were treated less favourably in respect of access to pension rights and payment for sickness absence.

3.3 For Devon and Somerset FRA, as the largest employer of retained firefighters in the UK, the financial impact of this ruling is significant, particularly as the ruling includes backdated payments to the year 2000. The Authority has prudently already set aside funds of £0.949m into a Provision from previous years underspends to fund these payments. It is an accounting requirement that this Provision is reviewed at the year-end to ensure, as far as possible, that sufficient sums are made available to pay for the payments when they are actually made in the future.

3.4 The latest circular issued by the National Joint Council for Employers provided further details of the negotiated settlement, including the amounts of compensatory payments to be paid, although it does not include the element relating to pension rights, which will be subject to further negotiations between the Fire Brigades Union and the Department of Communities and Local Government (CLG). Based on this new information it is now estimated that this first phase of the settlement will cost the Authority an amount of £0.643m, and that the pension element will be £0.862m, giving a total liability of £1.505m. As this cost is £0.556m in excess of the existing Provision set aside, it is required to charge this amount to the 2010-11 revenue account to increase the Provision to the required level.

#### ***Control Room Staff***

3.5 The underspend on control room staffing costs is primarily from vacancies as a consequence of the government decision to cancel the FireControl project resulting in a reduced need to employ temporary staffing. Savings have also been achieved from a zero pay award.

### ***Non-Uniformed Staff***

- 3.6 A total saving of £0.309m against non-uniformed pay costs again includes the impact of a zero pay award from April 2010, and also savings from the Senior Management restructure in 2010, which resulted in the deletion of two non-uniformed posts.

### ***Training Expenses***

- 3.7 As a consequence of slippage in the delivery of some training courses an underspend of £0.093m has been achieved against this budget line. A carry forward of £0.085m has been made into 2011-12 to fund the completion of these courses.

### ***Fire Service Pension Costs***

- 3.8 The overspend against Fire Service Pension costs of £0.079m primarily relates to the impact of a National Fraud Initiative (NFI), conducted through the Audit Commission during 2010, which identified that a number pensioners in receipt of an injury pension award were not being paid the correct amount due to outdated information relating to individual's government awarded injury benefits.

## **4. PREMISES RELATED COSTS**

### ***Repair and Maintenance***

- 4.1 Slippage in the delivery of some planned maintenance projects has resulted in an underspend of £0.197m against this budget line. A carry forward of £0.050m has been made into 2011-12 to fund the completion of some of these schemes.

### ***Energy Costs***

- 4.2 A saving of £0.075m on energy costs has been achieved primarily as a result of refunds in gas payments relating to previous years, but also from the impact of carbon management initiatives introduced during 2010 e.g. installation of smart meters into stations to monitor usage.

### ***Rent and Rates***

- 4.3 The saving against rent and rates of £0.110m is primarily as a result of the receipt of a one-off refund of rental payments during 2010-11.

## **5. TRANSPORT RELATED COSTS**

### ***Repair and Maintenance***

- 5.1 An underspend against this budget line of £0.136m is primarily as a result of savings achieved on maintenance contracts and some slippage of projects.

### ***Travel and Subsistence***

- 5.2 The main reason for an underspend against travel costs is as a result of slippage in the light vehicle replacement programme, resulting in savings on contract car hire costs.

## **6. SUPPLIES AND SERVICES**

### ***Equipment and Furniture***

- 6.1 An underspend against equipment, including ICT projects, is primarily as a result of budget holders being instructed to defer spending unless deemed to be essential. This has resulted in savings which can be diverted to those key projects identified through the Change and Improvement Programmes.

### ***Communications***

- 6.2 Whilst this budget line is overspent by £0.092m, as a result of the system upgrades required in preparation for the FireControl project, these costs are offset by additional new burdens grant income (Appendix B Line 30) received from the CLG to fund these costs.

### ***Uniforms and Personal Protective Equipment***

- 6.3 It had been anticipated that the agreed replacement of Personal Protective Equipment (PPE) would have been delivered by the end of the financial year, however, in the event, due to delays with the project, the delivery date has slipped into April 2011. A carry forward of £0.422m into 2011-12 has been made to fund the replacement costs.

### ***Catering Costs***

- 6.4 As a consequence of a reduction in the number of training courses delivered e.g. recruitment courses, spending on meal provisions is less than budget.

## **PAYMENTS TO OTHER AUTHORITIES**

### ***Support Service Contracts***

- 7.1 An increase in the contract with the Occupational Health Unit has resulted in an overspend against this budget line.

## **CAPITAL FINANCING COSTS**

### ***Capital Charges***

- 8.1 Savings of £0.161m against capital charges has been achieved primarily as a consequence of slippage in capital spending in the year and the consequent reduction in the need to borrow to fund capital spending.

## **INCOME**

### ***Treasury Management Investment Income***

- 9.1 The income from temporary investments has exceeded targets by £0.067m 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***

- 9.2 Whilst the Authority has received £1.532m more in grant income than budgeted, it should be emphasised that an amount of £1.384m of this figure relates to grants received to fund specific projects, but which have not been spent by the year-end. The introduction of the new accounting standards under International Financial Reporting Standards (IFRS) requires a different accounting treatment for such grants. Under the new rules, for any grant that has not been applied, and for which there is no requirement for the grant to be repaid if not spent at year-end, we are now required to identify such grants to the Committee and carry forward such sums into 2011-12 via a transfer into an Earmarked Reserve. This Reserve will then fund those projects for which the grants were originally intended when expenditure is incurred. An analysis of such grants is shown in paragraph 10.1.

### ***Other Income***

- 9.3 Other income targets e.g. training courses are down by £0.164m in 2010-11 primarily as a result of the impact of the economic downturn. This position will be improved in the future as new courses are delivered through the Training Academy and income generation is increased.

## 10. CONTRIBUTION TO EARMARKED RESERVES

10.1 The 2010-11 outturn figures in Appendix B includes three transfers to earmarked reserves, as follows:

- **CSR 2010 Budget Management Reserve (£0.726m)** - As is outlined in paragraph 2.5 of this report an exercise carried out through SIG to identify 10% savings from non-salary budget heads has identified an amount of £0.726m savings from in-year budgets. 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 Strategy 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 CSR period.
- **2010-11 Budget Carry Forwards (£0.657m)** – a number of committed projects planned to be delivered by the end of March 2011 have not been completed or delivered on time, and budget carry forwards are therefore required to enable the completion of those projects in 2011-12. These projects relate to;
  - Replacement Personal Protective Equipment (£0.422m).
  - Property maintenance projects (£0.050m).
  - Training Courses relating to workforce development and Gold Command (£0.085m).
  - Interagency Liaison Officers (£0.036m).
  - Firelink Radio Costs, shortfall in grant funding from the CLG (£0.064m)
- **Grants Unapplied (£1.374m)** – as is outlined in paragraph 9.2 of this report, under the new IFRS accounting arrangements, any unused grants at the year-end, which are not subject to repayment are to be identified and carried forward to 2011-12. An analysis of such grants is shown in Table 1 below,

**TABLE 1 – UNSPENT GRANTS TO BE CARRIED FORWARD TO 2011-2012**

<b>Grant Received From</b>	<b>£ m</b>	<b>Purpose of Grant</b>
Department of Communities and Local Government (CLG)	0.699	To fund Urban Search and Rescue (USAR) costs associated with staffing, training equipment and accommodation.
Department of Communities and Local Government (CLG)	0.228	To fund residual costs associated with the decision by the government to abandon the Regional FireControl project e.g. staffing costs and station end equipment.
Somerset Councils – “Safer Somerset”	0.261	To fund community safety initiatives within Somerset
DeFRA	0.075	To fund rescue boat operator training
Torbay Councils – “Safer Torbay”	0.082	To fund community safety initiatives within Torbay
Plymouth City Council/Devon and Cornwall	0.028	To fund community safety vehicles

Police Authority		
Yarlington Homes	0.001	To fund cycle training at Martock School.
<b>TOTAL</b>	<b>1.374</b>	

## 11. PROPOSALS FOR UTILISATION OF THE UNDERSPEND

11.1 It is proposed that the underspend figure of £1.375m be used to fund two further transfers into earmarked reserves, as follows:

- (a) **Change and Improvement Programme (£0.896m)** - Members will be well aware of the strategic ambition of the Authority 'Towards 2014' to make DSFRS one of the best fire and rescue authorities in the country. This journey requires a different way of doing business across the organisation to ensure that our resources are targeted towards those projects that will contribute to our vision, and also deliver the budget savings required as a consequence of 25% reductions in Fire Service grants by 2014-15 announced as part of CSR 2010.

Work is already well advanced, including the creation of two separate Programmes of Service Delivery and Business Support, recruitment of the Business Change Team, the introduction of the governance arrangements to oversee the delivery of the Programmes, and the identity of the key priority projects to be considered in the next twelve months. Each project will be subject to the approval of the Portfolio Board, which is represented by the Chief Fire Officer and the Senior Management Board, based upon sound business cases which can identify demonstrable benefits to the Service.

Based on the key priority projects to be considered in the first phase, it has been estimated that programme and project costs will be £1.635m, compared to the £0.739m already provided for in the base budget for 2011-12, leaving a shortfall of £0.896m. It is therefore proposed that an amount of £0.896m of the 2010-11 underspend be transferred to an Earmarked Reserve "Change and Improvement Reserve". Funds will subsequently be released from this Reserve, to individual projects, by the Portfolio Board, on the approval of final business case stage for each project, and when a return on investment has been identified. As such this investment can be seen as an invest-to-save initiative.

- (b) **CSR 2010 Budget Strategy Reserve (0.479m)** – it is proposed that the remaining underspend, currently forecast to be £0.479m be transferred to the existing reserve of CSR 2010 Budget Strategy Reserve, which would increase the balance of this Reserve to £1.205m to be available to offset future grant reductions.

11.2 A summary position of Reserves and Provisions, including the recommendations included in this report, is included as Appendix C.

## 12. SUMMARY OF REVENUE SPENDING

12.1 As Members of this Committee will be aware, from regular reports during the year, the strategy adopted in response to the CSR 2010 announcement, that fire and rescue authorities can expect a 25% reduction in government grants over the next four years, has been to seek in-year savings which can be set aside in Reserve.



- 12.2 It is therefore pleasing that the draft revenue outturn position indicates that this strategy has delivered a further £1.375m of underspend, which is available for transfer to Authority Reserves and Balances. The two proposals included in this report are both focused on assisting budget setting in 2013-14 and 2014-15, when the impact of the 25% reduction in grants will be the most severe. This reflects the commitment of staff to work differently in order to generate savings across the organisation.
- 12.3 The Committee is asked to recommend that the Authority approves the proposals for utilisation of the underspend, as set out in this report, at its meeting on 27 May 2011.

## **10. SECTION B – CAPITAL PROGRAMME 2010-2011 AND PRUDENTIAL INDICATORS**

### ***Monitoring of Capital Spending in 2010-2011***

- 10.1 Appendix D to this report provides a summary of the draft outturn against the revised 2010-11 capital programme. This indicates that overall spending is £3.466m, as compared to a revised programme of £7.539m, resulting in spending being less than budget by £4.073m.
- 10.2 The revised programme of £7.539m represents an increase of £0.040m from the previously reported programme, which reflects two small changes to the programme:
- An increase in the Estates programme of £0.016m relating to minor works at Wincanton and Sidmouth fire stations, to be funded from contributions from the South West Ambulance Trust.
  - An increase in the Fleet and Equipment programme of £0.024m relating to vehicle purchases to be funded from revenue contributions.
- 10.3 Of the underspend figure of £4.073m it has been identified that an amount of £3.292m relates to slippage in spending on individual schemes. Elsewhere on the agenda is a separate report which proposes a revised capital programme for the years 2011-12 to 2013-14, which includes provision for this slippage to be carried forward into 2011-12 to fund the completion of those schemes. The remaining amount of £0.781m has been identified as savings against the agreed programme.
- 10.4 Also included in Appendix D are details of how the projected spending of £3.466m is to be financed.
- ### ***Prudential Indicators (including Treasury Management)***
- 10.5 As a consequence of capital spending being forecast to be well below the capital programme targets none of the agreed prudential indicators will be breached. Actual external borrowing as at 31 March 2011 is £28.609m, which is well below the authorised limit for external debt of £40.488m (the absolute maximum that the Authority has agreed as affordable).
- 10.6 Investment returns from short-term investments of daily working balances have exceeded the income target of £0.070m by £0.067m as a consequence of better than anticipated working balance levels available for short-term investment. An average return of 0.80% has been achieved to the end of March 2011, as compared to the average LIBID 7 day rate (industry benchmark), for the same period of 0.43%.

10.7 Current external borrowing has been taken at an average borrowing rate of 4.24%, which is slightly more than the 4.09% which had been assumed in setting the debt charges budget for 2010-2011. However as the borrowing requirement in 2010-2011 is well below original forecasts, due to slippage in capital spending, debt charges costs are within the capital financing budget.

**11. SECTION C - OTHER FINANCIAL PERFORMANCE INDICATORS**

***Efficiency Savings***

11.1 The Authority’s forward looking Annual Efficiency Statement (AES) for 2010-2011 was submitted to the Department of Communities and Local Government (CLG) in July 2010. This return has targeted additional cashable savings of £1.223m to be achieved in 2010-2011. These savings primarily relate to further on-going savings from the combination of ex-Devon FRS and ex-Somerset FRS, vacancy management, a reduction in call activity and better procurement. Whilst the new government has subsequently removed the requirement for local authorities to report efficiency savings through an AES return, an analysis of savings indicates we have exceeded our targeted figure by £0.105m.

11.2 In relation to the savings to be achieved from the combination, the original business case had identified that cumulative savings of between £1.6m and £3.0m would be achieved by the year 2011-12. Actual cumulative savings achieved to the end of 2010-11 was £2.5m, with a further £1.2m forecast in 2011-12 resulting in forecast savings of £3.7m by 2011-2012.

***Aged Debt Analysis***

11.3 As at 31 March 2011, an amount of £45,689 (£50,023 as at 31 December 2010) was due from debtors relating to invoices that are more than 85 days old, equating to 12.41% (7.34% as at 31 December 2010) of the total debt outstanding. Table 2 below provides a summary of all debt outstanding as at 31 March 2011.

**TABLE 2 – OUTSTANDING DEBT AS AT 31 MARCH 2011**

	Total Value £	%age
Within 28 days	203,525	55.29%
29-56 days	57,205	15.54%
57-84 days	61,693	16.76%
Over 85 days	45,690	12.41%
<b>Total Debt Outstanding as at 31 March 2011</b>	<b>368,113</b>	<b>100.00%</b>

11.4 Whilst the value of over 85 days debt of £45,690 exceeds our agreed target of below 10% of total debt, it should be noted that this figure includes an amount of £34,974 owed by two specific debtors which is subject to legal proceedings. If those two debtors were removed from the calculation then our performance would improve to 3.22%.

***Payment of Supplier Invoices within 30 days***

11.5 In relation to the speed at which we pay our supplier invoices, we are currently on course to out-perform our target that 98% of supplier invoices will be paid within 30 days (or other agreed credit terms). As at the end of March 2011 our performance stood at 98.60%.

**KEVIN WOODWARD**  
**Treasurer to the Authority**

**FINANCIAL PERFORMANCE INDICATORS 2010-2011**

Revenue Budget	Actual £m	Target £m	Variance (favourable) /adverse %
Forecast Spending	73.760	75.135	(1.83)%
Efficiency Savings to be achieved in 2010-2011	1.328	1.223	(0.09)%
Cumulative Efficiency Savings from Combination by 2011-2012	3.704	3.000	(23.47)%

Prudential Indicators and Treasury Management Indicators	Actual £m	Target £m	Variance (favourable) /adverse %
Capital Expenditure	3.466	7.539	(54.02)%
Capital Financing Requirement (CFR) - (excluding other long term liabilities)			
- Borrowing	28.251	32.128	(12.07)%
- Other long term liabilities	1.666	1.916	(13.05)%
Authorised limit for external debt	28.609	40.488	(29.33)%
Operational boundary for external debt	28.609	37.276	(23.25)%
Investment Income	0.137	0.070	(95.71)%
	Actual (31 March 2011) %	Target %	Variance (favourable) /adverse
Investment Return	0.80%	0.43%	(0.37) bp
Cost of Borrowing	4.24%	4.09%	0.15 bp

Prudential Indicators and Treasury Management Indicators	Actual (31 March 2011) %	Target Upper limit %	Target Lower limit %	Variance (favourable) /adverse %
Limit of fixed interest rates based on net debt	100.00%	100.00%	70.00%	0.00%
Limit of variable interest rates based on net debt	0.00%	30.00%	0.00%	(30.00)%
Maturity structure of borrowing limits				
Under 12 months	3.51%	10.00%	0.00%	(6.49)%
12 months to 2 years	5.20%	15.00%	0.00%	(9.80)%
2 years to 5 years	9.62%	30.00%	0.00%	(20.38)%
5 years to 10 years	2.28%	50.00%	0.00%	(47.72)%
10 years and above	79.39%	100.00%	50.00%	(20.61)%

Other Indicators	Actual (31 March 2011) %	Target %	Variance (favourable) /adverse %
Aged Debt over 85 days	12.41%	10.00%	2.41%
Payments to Suppliers within 30 days	98.60%	98.00%	(0.60)%

**SUBJECTIVE ANALYSIS OF REVENUE SPENDING**

Draft Outturn Statement 2010-2011		2010/11 Budget	Year To Date Budget	Spending to Month 12	Draft Outturn	Draft Variance over/ (under) £000 (5)
		£000 (1)	£000 (2)	£000 (3)	£000 (4)	
<b>Line No</b>	<b>SPENDING</b>					
	<b>EMPLOYEE COSTS</b>					
1	Wholetime uniform staff	32,568	32,568	32,201	32,201	(367)
2	Retained firefighters	12,121	12,121	12,039	12,595	474
3	Control room staff	2,160	2,160	2,040	2,040	(120)
4	Non uniformed staff	9,327	9,327	9,035	9,018	(309)
5	Training expenses	1,178	1,178	1,085	1,085	(93)
6	Fire Service Pensions recharge	1,939	1,939	2,018	2,018	79
		<b>59,293</b>	<b>59,293</b>	<b>58,418</b>	<b>58,957</b>	<b>(336)</b>
	<b>PREMISES RELATED COSTS</b>					
7	Repair and maintenance	1,140	1,140	943	943	(197)
8	Energy costs	525	525	450	450	(75)
9	Cleaning costs	383	383	338	338	(45)
10	Rent and rates	1,232	1,232	1,122	1,122	(110)
		<b>3,280</b>	<b>3,280</b>	<b>2,853</b>	<b>2,853</b>	<b>(427)</b>
	<b>TRANSPORT RELATED COSTS</b>					
11	Repair and maintenance	674	674	538	538	(136)
12	Running costs and insurances	1,088	1,088	1,052	1,052	(36)
13	Travel and subsistence	1,500	1,500	1,227	1,227	(273)
		<b>3,262</b>	<b>3,262</b>	<b>2,817</b>	<b>2,817</b>	<b>(445)</b>
	<b>SUPPLIES AND SERVICES</b>					
14	Equipment and furniture	2,366	2,366	2,143	2,143	(223)
15	Hydrants-installation and maintenance	97	97	111	111	14
16	Communications	1,439	1,439	1,531	1,531	92
17	Uniforms	1,060	1,060	629	629	(431)
18	Catering	244	244	171	171	(73)
19	External Fees and Services	448	448	482	482	34
20	Partnerships & regional collaborative projects	135	135	116	116	(19)
21	USAR Equipment	25	25	1	1	(24)
		<b>5,814</b>	<b>5,814</b>	<b>5,184</b>	<b>5,184</b>	<b>(630)</b>
	<b>ESTABLISHMENT COSTS</b>					
22	Printing, stationery and office expenses	425	425	356	356	(69)
23	Advertising	54	54	15	15	(39)
24	Insurances	319	319	290	291	(28)
		<b>798</b>	<b>798</b>	<b>661</b>	<b>662</b>	<b>(136)</b>
	<b>PAYMENTS TO OTHER AUTHORITIES</b>					
25	Support service contracts	617	617	713	713	96
		<b>617</b>	<b>617</b>	<b>713</b>	<b>713</b>	<b>96</b>
	<b>CAPITAL FINANCING COSTS</b>					
26	Capital charges	4,865	4,865	4,704	4,704	(161)
27	Revenue Contribution to Capital spending	0	0	0	68	68
		<b>4,865</b>	<b>4,865</b>	<b>4,704</b>	<b>4,772</b>	<b>(93)</b>
28	<b>TOTAL SPENDING</b>	<b>77,929</b>	<b>77,929</b>	<b>75,350</b>	<b>75,958</b>	<b>(1,971)</b>
	<b>INCOME</b>					
29	Treasury management investment income	(70)	(70)	(140)	(137)	(67)
30	Grants and Reimbursements	(2,357)	(2,357)	(3,470)	(3,889)	(1,532)
31	Other income	(1,025)	(1,025)	(898)	(861)	164
32	Internal Recharges	(68)	(68)	(68)	(68)	-
33	<b>TOTAL INCOME</b>	<b>(3,520)</b>	<b>(3,520)</b>	<b>(4,576)</b>	<b>(4,955)</b>	<b>(1,435)</b>
	<b>TRANSFER TO EARMARKED RESERVES</b>					
34	CSR 2010 Budget Strategy Reserve	726	726	726	726	-
35	Carry Forwards to 2011-12	-	-	-	657	657
36	Grants unapplied	-	-	-	1,374	1,374
37	<b>TOTAL TRANSFERS TO EARMARKED RESERVES</b>	<b>726</b>	<b>726</b>	<b>726</b>	<b>2,757</b>	<b>2,031</b>
38	<b>NET SPENDING</b>	<b>75,135</b>	<b>75,135</b>	<b>71,500</b>	<b>73,760</b>	<b>(1,375)</b>

**APPENDIX C TO REPORT RC/11/5**

**SUMMARY OF RESERVES AND BALANCES AS AT 31 MARCH 2011**

	Balance bfwd from prev year £000	Spend £000	Balance at 31/3/11 £000	Transfer from revenue £000	Transfer of Funds £000	Balance cfwd to next yr £000
<b>1. RESERVES</b>						
<b><u>Earmarked Reserves</u></b>						
<u>Earmarked reserves agreed prior to 1 April 2010</u>						
Lundy	25		25			25
Positive pressure ventilation training	14	(10)	4			4
Mobilisation equipment	108	(5)	103			103
Property works	5		5			5
Support costs	7		7			7
New systems	20	(20)	0			0
HSE building works	127	(90)	37			37
ICP Project	66		66			66
<u>Earmarked reserves post 1 April 2010</u>						
CSR 2010 Budget Strategy	0		0	1,205		1,205
2010-2011 Carry Forwards	0		0	657		657
Change and Improvement	0		0	896		896
Grants Unapplied	0		0	1,374		1,374
	<b>372</b>	<b>(125)</b>	<b>247</b>	<b>4,132</b>	<b>0</b>	<b>4,379</b>
<b><u>General Reserve</u></b>	<b>4,453</b>		<b>4,453</b>			<b>4,453</b>
<b>Total of useable reserves</b>	<b>4,825</b>	<b>(125)</b>	<b>4,700</b>	<b>4,132</b>	<b>0</b>	<b>8,832</b>

	Balance bfwd from prev year £000	Spend £000	Transfer to Revenue £000	Balance as at 31 March 2011 £000	2010/11 £000	Balance cfwd to next yr £000
<b>2. PROVISIONS</b>						
Retained Firefighter Pension Contributions	949			949	556	1,505
<b>Total Provisions</b>	<b>949</b>	<b>0</b>	<b>0</b>	<b>949</b>	<b>556</b>	<b>1,505</b>

**APPENDIX D TO REPORT RC/11/5**

**CAPITAL MONITORING STATEMENT 2010-2011**

<b>Capital Programme 2010/2011</b>				<b>Variation to budget</b>		
<b>Item PROJECT</b>	<b>2010/11</b>	<b>2010/11</b>	<b>2010/11</b>	<b>Slippage</b>	<b>Savings</b>	<b>Total variation</b>
	<b>(£000)</b>	<b>(£000)</b>	<b>(£000)</b>			
	<b>Budget</b>	<b>Draft outturn</b>	<b>Variation to budget</b>			
<b>Estate Development</b>						
1 Exeter Middlemoor	44	(7)	(51)	30	21	51
2 Exeter Danes Castle	169	52	(117)	10	107	117
3 SHQ major building	135	39	(96)	96		96
4 Major building works new starts	0	0	-			0
5 Minor improvements & structural maintenance	2,802	1,091	(1,711)	1,689	22	1,711
6 Welfare facilities 2009/10	127	90	(37)	37		37
7 Diversity & equality	34	34	-			0
8 New Dimensions (USAR) works	150	10	(140)	140		140
<b>Estates Sub Total</b>	<b>3,461</b>	<b>1,309</b>	<b>(2,152)</b>	<b>2,002</b>	<b>150</b>	<b>2,152</b>
<b>Fleet &amp; Equipment</b>						
9 Appliance replacement	2,061	1,642	(419)	397	22	419
10 Specialist Operational Vehicles	1,163	328	(835)	637	198	835
11 Vehicles (funded from revenue)	68	68	-			0
12 Equipment	634	96	(538)	127	411	538
13 Asset Management Plan (Miquet) software	152	23	(129)	129		129
<b>Fleet &amp; Equipment Sub Total</b>	<b>4,078</b>	<b>2,157</b>	<b>(1,921)</b>	<b>1,290</b>	<b>631</b>	<b>1,921</b>
<b>Overall Capital Totals</b>	<b>7,539</b>	<b>3,466</b>	<b>(4,073)</b>	<b>3,292</b>	<b>781</b>	<b>4,073</b>
<b>Programme funding</b>						
Main programme	5,926	2,050	(3,876)			
Revenue funds	104	89	(15)			
Grants	1,377	1,237	(140)			
Earmarked Reserves	132	90	(42)			
	<b>7,539</b>	<b>3,466</b>	<b>(4,073)</b>			