

RESOURCES COMMITTEE

(Devon and Somerset Fire and Rescue Authority)

18 May 2012

Present:-

Councillors Yeomans (Vice-Chairman)(in the Chair), Bakewell MBE, Healey (vice Hughes OBE), Horsfall, Smith and Woodman.

Apologies:-

Councillors Gordon and Hughes OBE.

***RC/19. Minutes**

RESOLVED that the Minutes of the meeting held on 3 February 2012 be signed as a correct record.

***RC/20. Declarations of Interest**

Members 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.

No interests were declared at this point.

RC/21. Financial Performance Report 2011/12: Quarter 4

The Committee considered a report of the Treasurer to the Authority (RC/12/5) on the Authority's performance against the agreed financial targets for the current financial year as at 31 March 2012. In particular, the report provided a draft financial outturn indicating an underspend of £1.272m (1.69%) against the approved 2012/13 revenue budget.

The increase in underspend from the previous quarter was largely due to retained pay costs – historically a volatile budget – being significantly less than forecast as a result of fewer operational calls than anticipated. The report also detailed reasons for variance in other main areas of the budget, with overspends on wholetime, control room and non-uniformed staffing and firefighter pensions costs being off-set by underspends on retained pay, utility, repair and maintenance, equipment and furniture and communications equipment costs. Investment and the more commercial approach applied to the provision of external training had resulted in the original targets in these areas being exceeded. Higher than anticipated grant income had been received, with some £2.042m being received to fund specific purposes but which had not been spent at year end but which was eligible to be carried forward to 2012/13.

Inclusion of funding for refurbishment work at Service Headquarters (£0.204m) and for purchase of vehicle box trailer (£0.005m) had increased the capital programme by £0.209m since the last report. As these costs were, however, being met from direct revenue funding there was no consequential increase in the external borrowing requirement. Nonetheless, actual spend of £3.341m against a total programme of £7.580m indicated slippage of £4.239m, the majority of which related to estates projects such as the new Training Academy at Exeter Airport, for which it was hoped that final approvals would be in place by the end of May. The slippage in capital spending had resulted in an underspend of revenue contribution towards capital costs. The level of underspend (£0.716m) had been transferred to an ear-marked reserve for it to be available for application in the forthcoming financial year. The slippage also meant that there had been no breach of the Authority's Prudential Indicators.

The report also identified performance against the Aged Debt Analysis and Payment of Supplier Invoices within 30 days indicators, the situation in relation to Reserves and Balances (including two transfers to Earmarked Reserves included in the 2011/12 outturn figures) and proposals to utilise the £1.272m indicative underspend by making a further three transfers to Earmarked Reserves for commercial services activities (£0.300m), capital funding reserve (£0.350m) and Comprehensive Spending Review (CSR) 2010 budget strategy reserve (£0.622m).

In relation to the proposed transfer to a commercial services reserve, the Chief Fire Officer stressed that - in accordance with the statutory requirements – funding of all commercial activities would be on the basis of securing as a minimum full cost recovery together with an element of income generation.

The Chairman commended Service budget managers on their efforts to contain spending which had contributed significantly to the underspend against the approved revenue budget.

RESOLVED

- (a) that the Authority, at its meeting on the 30 May 2012, be recommended to approve:
 - (i) that the underspend of £1.272m against the 2011-12 revenue budget be utilised to fund the following transfers to Earmarked Reserves, as outlined in paragraph 11.1 of report RC/12/5 and indicated below:
 - A. £0.300m to be transferred to a Commercial Services (Invest-to-Save) Reserve;
 - B. £0.350m to be transferred to a Capital Funding Reserve to provide further direct revenue funding to capital spending; and
 - C. the remaining figure of £0.622m to be transferred to the Comprehensive Spending Review (CSR) 2010 Budget Strategy Reserve;

- (ii) that an amount of £0.420m within Earmarked Reserves be transferred to the General Reserve, as outlined in paragraph 13.5 of the report;
- (b) that, subject to (a) above, the performance against agreed financial targets as indicated in the report together with the following be noted:
 - (i) that the draft position in respect of the 2011-12 Revenue and Capital Outturn position, as indicated in the report; and
 - (ii) that the underspend figure of £1.272m is after;
 - A. a transfer of £2.042m to the Grants Unapplied Reserve, as required under International Financial Reporting Standards (IFRS) relating to grants received during the financial year but not utilised; and
 - B. a transfer of £0.716m to the Capital Funding Earmarked Reserve, relating to agreed revenue funding towards capital spending not utilised; and
 - C. an increase of £0.348m in the Provision set aside to fund the impact of the Employment Tribunal relating to Part Time Workers (Less than Favourable Working Conditions), as outlined in paragraph 3.5 of the report.

*** DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00hours and finished at 10.42hours.