

6. Budget Monitoring Report 2012-13

Purpose of report

1. To inform Members of the current position on budgets and expenditure for 2012-13.
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Recommendation

The Chief Fire Officer and Treasurer recommend that the report be noted.

Introduction and Background

2. This is a routine review of the position on Revenue and Capital budgets, and follows on from the monthly review cycle undertaken by the Service's Senior Management Board.

Revenue Budget

3. In February 2012 the Fire and Rescue Authority (FRA) set a net revenue budget for 2012-13 of £33.821m.
4. This budget was initially allocated to budget heads as shown in column 1 of Appendix 1. The allocations have subsequently been amended; due to responsibility changes arising from the senior management restructure, budget-holder savings identified in year and allocation of ear-marked reserves. These adjustments are shown in columns 2 to 6. The current allocation is shown in column 7 of Appendix 1.
5. The other adjustment in column 6 relates to the changed arrangements for the statutory officers (Treasurer and Monitoring Officer) who are both now directly employed.
6. Appendix 2 shows details of the annual budget and projected year end expenditure. At this point in the year (after only the first quarter) the only significant variations are:
 - Wholetime Uniform Pay: showing a projected underspend as a consequence of the implementation of crewing changes following the review of fire cover in the 2011/12 Integrated Risk Management Plan.
 - Redundancy Cost Provision: reflecting the fact that these costs be actually charged to 2011/12. Although it should be noted that there is a £0.050m overall saving.

- 2012/13 Savings: this reflects a reduced requirement as budgets continue to be scrutinised. This saving to the base will reduce the future budget gap.
 - Retained Duty System (RDS) Settlement: Members will be aware of the late change to the details of this payment and the inclusion of Tax and National Insurance (NI). An initial estimate of £0.100m was made and transferred to an ear-marked reserve in 2011/12. The first of the detailed payments were made in July and the revised estimate of the tax/NI position is £0.020m higher.
7. At this point a net underspending of £0.569m is forecast, which will have an impact on future savings' requirements.

Capital Programme

8. The current capital budget (including approved re-phasing from 2011/12) is £10.287m and is divided into 3 blocks:
- Vehicle Replacement
 - Major Buildings
9. The budget allocations are shown in detail in Appendix 3; although for commercial reasons (contracts still subject to tender or acceptance) the FRA approved allocations for individual Major Building schemes are not shown.
10. Of the £10.287m budget only £0.995m (10%) has been incurred with a further £0.851m (8%) committed by way of order. Since the end of the first quarter, further orders of approximately £1m (10%) have been placed in respect of major buildings.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are financial issues that require consideration	Yes	Whole report considers financial position

Legal Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	No	

Additional Considerations

11. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	No	
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	No	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	No	
Consultation with Representative Bodies	No	

Supporting Information

Appendix 1 : 2011-12 Revenue Budget Allocation
Appendix 2 : 2011-12 Revenue Budget Monitoring
Appendix 3 : 2011-12 Capital Budget Monitoring

Background papers

None

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