

THE HIGHLAND AND ISLANDS FIRE BOARD

27 November 2009

REVENUE MONITORING REPORT 1st April 2009 to 31st October 2009

Report by Chief Fire Officer

Agenda Item	
Report No	

Background

This report sets out the current position of the revenue monitoring statement as at 31st October 2009 and the predicted year-end out-turn.

Estimated Out-turn

The estimated year-end out-turn, including pensions and capital charges, is £24,204,000 compared to the annual budget of £24,634,000 a variance of £430,000. This variance can be sub-divided into three key areas: operational expenditure £47,000, capital charges £100,000 and pensions £282,000.

The estimated year-end out-turn for operational expenditure is £20,524,000 compared to the annual budget of £20,571,000 a variance of £47,000. This variance is primarily due to lower than predicted costs associated with the Firelink project.

The estimated year-end out-turn for capital charges, provided by Highland Council, is £1,767,000 compared to the annual budget of £1,867,000 a variance of £100,000. This variance is as a result of lower than budgeted interest rates. The Service has also been advised that the low interest rates will result in a significant reduction in income from interest on revenue balances which has historically been used to help finance the capital programme.

The estimated year-end out-turn for pensions is £1,913,000 compared to the annual budget of £2,196,000 a variance of £283,000. This variance is primarily due to unbudgeted income from uniformed personnel transferring in to the Service and unbudgeted additional transitional funding arrangements of £130,000.

Members are reminded that the revenue budget for 2009/10 included £300,000 funded from reserves in respect of the Firelink project.

Action Required

Members are reminded that, as this is an emergency service, budgets can be affected by unpredictable variations in activity levels. With this in mind, and in line with revenue reserve strategy and the immense capital challenges the Service continues to face, permission is sought to utilise any predicted revenue underspend (currently estimated as £430,000), as follows: -

- Firstly, to top up the revenue reserve which has been significantly depleted as a result of the Fire Link Project. Currently estimated at £282,000.

- Any additional underspend to be used for capital purposes, i.e. Capital Funded from Current Revenue (CFCR). This will free up capital receipts which can then be carried forward into 2010/11 and beyond to fund capital works. This is currently estimated at £148,000.

Recommendation

Members are asked to note the contents of this report and to approve the utilisation of any revenue underspend to firstly top-up the revenue reserve and secondly for the utilisation of CFCR.

**BRIAN A MURRAY
CHIEF FIRE OFFICER
13 NOVEMBER 2009**

Highlands & Islands Fire Board

Revenue Monitoring Statement

For The Period - 1st April 2009 to 31st October 2009

	Actual Year to Date Spend	Full Year Budget	Estimated Outturn	Outturn to Budget Variance
Operations	6,331	11,700	11,704	4
Operational Support	1,881	3,806	3,775	(31)
CRM/IRMP	463	924	926	2
People Service	1,186	2,182	2,185	3
Corporate Services	1,020	1,959	1,934	(25)
Operational Expenditure	10,881	20,571	20,524	(47)
Capital Charges	0	1,867	1,767	(100)
				0
Net Expenditure Excl. Pensions	10,881	22,438	22,291	(147)
Pensions	1,160	2,196	1,913	(283)
Total Expenditure	12,041	24,634	24,204	(430)

Category of Expenditure	Actual Year to Date Spend	Full Year Budget	Estimated Outturn	Outturn to Budget Variance
Staff	9,881	18,150	17,857	(293)
Other	2,091	4,231	4,253	21
Firelink	54	300	252	(48)
Fire Fighting at Sea	39	99	99	0
Capital Charges	0	1,867	1,767	(100)
Income	(24)	(13)	(23)	(10)
Total Expenditure	12,041	24,634	24,204	(430)