

THE HIGHLAND AND ISLANDS FIRE BOARD

29 JANUARY 2010

**REVENUE MONITORING REPORT
1st April 2009 to 31st December 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 December 2009 and the predicted year-end out-turn.

Estimated Out-turn

The estimated year-end out-turn, including pensions and capital charges, is £24,878,000 compared to the annual budget of £24,634,000 an adverse variance of £244,000. This variance can be sub-divided into three key areas: operational expenditure £789,000 overspend, capital charges £100,000 underspend and pensions £445,000 underspend.

The estimated year-end out-turn for operational expenditure is £21,360,000 compared to the annual budget of £20,571,000 a variance of £789,000. This variance is primarily due to two pay adjustments which are explained further in a later agenda item.

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 £1,751,000 compared to the annual budget of £2,196,000 a variance of £445,000. This variance is primarily due to unbudgeted income from uniformed personnel transferring in to the Service.

Impact on Reserves

Members are reminded that the revenue budget for 2009/10 is partially funded by a transfer of £300,000 from the Revenue Reserves to finance the Firelink Project. In addition the overspend, in relation to the pay adjustments, will also need to be funded from revenue reserves, with the net affect being a reduction in the revenue reserve balance from £1,137,000 to £593,000.

Action Required

No further action is required at present but Members are reminded that this is an emergency service and budgets can be affected by unpredictable variations in activity levels.

Recommendation

That Members NOTE the contents of this report.

**DAVID WYNNE
CHIEF FIRE OFFICER
21 JANUARY 2010**

Highlands & Islands Fire Board

Revenue Monitoring Statement

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

	Actual Year to Date Spend	Full Year Budget	Estimated Outturn	Outturn to Budget Variance
Operations	8,030	11,700	12,587	887
Operational Support	2,506	3,818	3,775	(43)
CRM/IRMP	614	924	899	(25)
People Service	1,549	2,182	2,174	(8)
Corporate Services	1,264	1,947	1,925	(22)
Operational Expenditure	13,963	20,571	21,360	789
Capital Charges	0	1,867	1,767	(100)
				0
Net Expenditure Excl. Pensions	13,963	22,438	23,127	689
Pensions	1,564	2,196	1,751	(445)
Total Expenditure	15,527	24,634	24,878	244

Category of Expenditure	Actual Year to Date Spend	Full Year Budget	Estimated Outturn	Outturn to Budget Variance
Staff	12,680	18,130	18,527	397
Other	2,721	4,251	4,261	9
Firelink	95	300	252	(48)
Fire Fighting at Sea	59	99	99	0
Capital Charges	0	1,867	1,767	(100)
Income	(28)	(13)	(28)	(15)
Total Expenditure	15,527	24,634	24,878	244