

TYNE & WEAR FIRE AND RESCUE AUTHORITY

MEETING: 16th NOVEMBER 2015

Item 5

SUBJECT: REVENUE BUDGET 2015/2016 - SECOND REVIEW

JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER

1. INTRODUCTION

- 1.1 This report advises Members of issues relating to the 2015/2016 Revenue Budget position at the half way point of the financial year.

2. BUDGETARY CONTROL REPORT 2015/2016

- 2.1 Regular monitoring of the Revenue Budget continues to take place and variances have been identified which produce a projected net saving at outturn of £361,000 at this stage.
- 2.2 A summary set out at Appendix A shows the actual costs compared to the budgeted position for the main budget areas. The main variances are explained in more detail below:

Employee Costs

- 2.3 At this stage in the financial year, there is a projected net underspend on the employees budget of £199,000.
- 2.4 Planned lower net staffing costs to provide organisational flexibility for IRMP establishment changes and pension savings account for the bulk of this net variation, which is also absorbing the continuing additional costs of cover for industrial action yet to be resolved.

Premises

- 2.5 There is projected to be a small underspend of £11,000 on the premises budget. Efficiency measures and a prudent approach to price increases have generated an underspend on utility budgets across the Authority's estate.

Transport

- 2.6 There is a projected overspend of £14,000 on the transport budget, largely due to changes in business requirements resulting in more travel being incurred.

Supplies and Services

- 2.7 At this stage there is a projected minor net overspend of £5,000.

Contingencies

- 2.8 It is anticipated that £139,303 of the contingency set aside when setting the budget will not be required as efficient financial budget management continues to drive down budgeted costs.

Income

- 2.9 There is a projected net over achievement of income of £31,000. This is due to a combination of the following factors:
- Additional net allocation of government grant income of £68,000 made up of Transformation Grant of £75,000 which was not built into the original budget, and a reduction of £7,000 to the final Firelink Grant allocation;
 - Additional income of £48,000 from sales of cars and vans surplus to requirements after the small fleet review and refunds of NNDR paid in 2010/11 and 2011/12; and
 - Reduced income of £85,000 from reduced take up of training courses and associated income.

3. STATEMENT OF BALANCES

- 3.1 The general fund balance is £3.882m and is not expected to change this year.

4. RECOMMENDATION

- 4.1 Members are requested to note the position with regard to the Revenue Budget for 2015/2016 as set out in this report and at Appendix A.