



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority  
Finance and Resources Committee

# **REVENUE MONITORING REPORT – TO 31 MAY 2009**

Report of the Chief Fire Officer

**Date:** 10 July 2009

**Purpose of Report:**

To report to Members on financial performance of the Service in the year 2009/10 to the end of May 2009. This report analyses significant variances against the original budget.

## **CONTACT OFFICER**

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## 1. BACKGROUND

- 1.1 Budget monitoring is a key aspect of financial management for the Fire and Rescue Authority. Regular reporting of spending against both the revenue and capital budgets to Members is a check that spending is within available resources and, if necessary, allows for financial resources to be re-assigned to meet changing priorities. The revenue monitoring statement is shown as Appendix A to this report.

## 2. REPORT

### SUMMARY

- 2.1 The budget monitoring statement for May 2009 is showing an underspend to date of -£165k.
- 2.2 The projected outturn variance for the year is an underspend of -£280k.
- 2.3 The underspend to date of -£165k and the projected underspend of -£280k are made up of several key variances. All variances greater than 10% of the profiled budget are marked with an "X" in Appendix A, although explanations of variances are only given where variances to date or projected variances are over £10k.
- 2.4 The full Revenue Budget Monitoring Statement is given as Appendix A to this report.

### SIGNIFICANT VARIANCES

- 2.5 Wholetime Operational Pay: is showing an underspend to date of -£198k. The budget for 2009/2010 is based on an establishment of 571, however the average number of staff paid during the period reported is 537.4. The estimated outturn underspend of -£446k assumes 12 new trainee firefighters will commence in September and a further 12 in December. In addition it is assumed that 24 posts will be filled by a combination of migration of employees from the Retained Duty System, and the recruitment of transferees from other Services. It is estimated that these new Wholetime employees will start in September.
- 2.6 Wholetime Operational Overtime: is showing an overspend to date of £38k, this overspend relates to one month's overtime for April 2009 on auxiliary crewing to cover the under-establishment of Wholetime employees. It is assumed at this stage that overtime will continue at a constant level for three months and then for a further three months at £25k, giving an estimated outturn overspend of £132k. The final outturn will depend upon staffing levels during the year.

- 2.7 Premises costs: is showing an overspend to date of £89k. This overspend has arisen mainly due to the redecoration of Headquarters taking place early in the financial year, but this should be contained within the total budget for the year.
- 2.8 Interest Receivable: is showing deficit to date of £36k and this is due to the current economic climate. Interest rates continued to fall after this budget had been set and it is very unlikely that the predicted income of £220k can be achieved this year. Currently, the Authority is receiving interest at only 0.08% on overnight investments and an estimated outturn adverse variance of £150k is reported at this stage.
- 2.9 Pension Account: the table below the main monitoring statement shows a pension account deficit to date of £1,604k. This shortfall will be met by a grant from the department for Communities and Local Government, which is expected to be received in July.

### **3. FINANCIAL IMPLICATIONS**

The financial implications are set out within the body of the report.

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS PERSONNEL IMPLICATIONS**

There are no human resources or learning and development implications arising directly from this report.

### **5. EQUALITY IMPACT ASSESSMENT**

An initial equality impact assessment has revealed that there are no specific equalities issues arising from this report.

### **6. CRIME AND DISORDER IMPLICATIONS**

There are no crime and disorder implications arising from this report.

### **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

## **8. RISK MANAGEMENT IMPLICATIONS**

Budget monitoring and the regular receipt of financial reports is key to managing one of the most significant risks to the organisation, that of financial risk. The process of budget monitoring is a key risk management control measure as are the management actions which are stimulated by such reporting. Throughout the year, finance department staff work collaboratively with budget holders towards keeping expenditure within budget and improving financial performance.

## **9. RECOMMENDATIONS**

That Members note the contents of this report.

## **10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)**

None.

Frank Swann  
**CHIEF FIRE OFFICER**

**MONITORING STATEMENT - 1st APRIL 2009 TO 31st May 2009**

	<b>ANNUAL BUDGET</b>	<b>BUDGET MONTH</b>	<b>ACTUAL MONTH</b>	<b>VARIANCE MONTH</b>	<b>BUDGET YTD</b>	<b>ACTUAL YTD</b>	<b>VARIANCE YTD</b>	<b>FORECAST OUTTURN</b>	<b>Foecast Variance</b>	<b>VARIANCE ALERT</b>
<b>Employees</b>										
Employees Operational	23,308	1,920	1,935	15	3,907	3,709	-198	22,862	-446	0
Employees Operational Overtime	299	25	63	38	25	63	38	431	132	X
Employees Control	1,067	89	95	6	175	174	-2	995	-72	0
Employees Retained	3,440	570	277	-293	304	275	-29	3,440		0
Employees Admin & Support	4,486	387	410	23	774	784	10	4,486		0
Staff Training	390	33	10	-23	34	31	-3	390		0
Employees Other Direct Costs	221	12	9	-3	31	16	-14	221		X
Employees Other Pension Costs	920	77	46	-30	327	307	-20	876	-44	0
Pensions (year end FRS17)										0
<b>Subtotal Employees</b>	<b>34,132</b>	<b>3,112</b>	<b>2,846</b>	<b>-266</b>	<b>5,577</b>	<b>5,358</b>	<b>-219</b>	<b>33,702</b>	<b>-430</b>	
<b>Premises</b>										
Premises - Repairs & Maint	464	39	62	24	76	165	89	464		X
Premises - Repairs & Maint -Contract Work	75	6	8	2	12	8	-4	75		X
Premises - Utilities	353	42	50	8	42	38	-4	353		0
Premises - Other	959	6	14	8	8	10	2	959		X
<b>Subtotal Premises</b>	<b>1,850</b>	<b>93</b>	<b>134</b>	<b>41</b>	<b>139</b>	<b>222</b>	<b>82</b>	<b>1,850</b>		
<b>Transport</b>										
Direct transport costs	1,388	59	41	-18	76	72	-4	1,388		0
Car Allowances & Travel	474	54	20	-34	44	34	-10	474		X
Capital Financing - Transport	228	19	1	-18	19	18	-1	228		0
<b>Subtotal Transport</b>	<b>2,090</b>	<b>132</b>	<b>62</b>	<b>-70</b>	<b>139</b>	<b>123</b>	<b>-15</b>	<b>2,090</b>		
<b>Supplies &amp; Services</b>										
Insurance Costs	526		1	1	417	417		526		0
Office Equipment, Furniture & Expenses	286	18	12	-6	35	35		286		0
Information, Communications and Technology Equipment	1,168	64	22	-42	269	274	5	1,168		0
Telephone Charges	221	8	7	-1	9	8	-1	221		X
Catering, Subsistence & Accommodation	184	15	8	-7	21	15	-6	184		X
Services from External Providers	191	5	1	-4	10	4	-6	191		X
Services from External Providers - Treasury	147							147		0
Services from External Providers - Legal	127	11	2	-8	11	4	-6	127		X
Services from External Providers - Medical	16	1		-1	3	-1	-3	16		X
Services from External Providers - Consultants	57	5	11	6	10	9	-1	57		0
Services from External Providers - Across Bord	-15							-15		0
Regional Management Board	148							148		0
Operational Equipment	658	55	52	-3	56	53	-3	658		0
Community Safety Equipment	334	8	5	-4	24	14	-10	334		X
Smoke Alarms	120	10	13	3	10	18	8	120		X
Other Supplies & Services	598	47	158	112	68	76	7	598		X
<b>Subtotal Supplies &amp; Services</b>	<b>4,766</b>	<b>246</b>	<b>293</b>	<b>46</b>	<b>942</b>	<b>926</b>	<b>-16</b>	<b>4,766</b>		
<b>Capital Financing</b>										
Depreciation, Amortisation & Impairment										0
Minimum Revenue Provision	1,158							1,158		0
Interest on Finance Leases and Loans	846				22	25	3	846		X
Capital Financing - Other										0
<b>Subtotal Capital Financing</b>	<b>2,004</b>				<b>22</b>	<b>25</b>	<b>3</b>	<b>2,004</b>		
<b>Democratic</b>										
Democratic Costs	161	10	9	-1	10	19	9	161		X
<b>Subtotal Democratic</b>	<b>161</b>	<b>10</b>	<b>9</b>	<b>-1</b>	<b>10</b>	<b>19</b>	<b>9</b>	<b>161</b>		
<b>Income</b>										
Interest Receivable	-220	-18		18	-37		36	-70	150	X
Government Grants										0
Other Income	-63	-4	-2	2	-8	-4	4	-63		X
<b>Subtotal Income</b>	<b>-283</b>	<b>-22</b>	<b>-2</b>	<b>20</b>	<b>-44</b>	<b>-4</b>	<b>40</b>	<b>-133</b>	<b>150</b>	

