

NORTH YORKSHIRE FIRE AND RESCUE AUTHORITY
REPORT OF THE DIRECTOR OF FINANCE AND SERVICE DEVELOPMENT

8th FEBRUARY 2012

CURRENT FINANCIAL POSITION 2011/12

1.0 Purpose of Report

To advise on the current position of the 2011/12 Budget

2.0 Overview

2.1 Appendix A to this report sets out details of a revised provisional outturn of £30,217,400 against an approved budget of £31,096,900, resulting in an increased potential year end underspend of £879,500 This is equivalent to 2.8% of the original estimate and as such falls outside of the Authority's Budget Management Performance target of 0% overspend to 0.5% underspend.

2.2 The provisional underspend has increased by £157,400 from £722,100 reported to the Authority in December. The principal reasons for this movement are:

- Wholetime unplanned overtime - reduction of -£10,000 based on activity to date.
- Wholetime CFS Activities - reduction of -£9,000.
- Retained Loss of Remuneration payments -£18,000
- Retained Turnout and Attendance payments -£20,000
- Agency Staff (Administration & Clerical) £20,000
- Course Fees & Course Travel - double counting of expenditure relating to Water Rescue, LIFE and Extrication Team -£22,000
- General Maintenance - reduction of £-14,000
- Planned Maintenance - reduction of -£60,000 due to the delay of non essential decoration.
- Care Servicing - an increase of £30,000 due to high value follow up works from servicing visits.
- Gas - review in line with spend to date and estimated future usage -£18,000
- Hydrants - an increase of £85,000 due to unbudgeted renewal and maintenance work resulting from inspections
- Medical Fees - reduced need for physiotherapy and individual support sessions -£6,000.
- IT Landlines/Mobiles - reductions in tariffs through renegotiation -£12,000.
- IT Maintenance - Internet GIS may be available free of charge -£7,000.
- IT Maintenance - Estimated contract costs now confirmed -£6,000.
- Refund of expenditure incurred on accounting software in 2010/11 due to the programme being non compliant with required International Financial Reporting Standards -£17,000

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- Disposal of old vehicles and equipment £-16,000.
- Interest Receivable on short term investments £-20,000
- Additional income from the recent secondment to Fire Service College -£23,000.
- Unbudgeted project income -£10,000

- 2.3 This forecast is based upon information as at the end of December 2011. Detailed explanations of individual variances are attached at Appendix A.
- 2.4 The outstanding issue of the pay point on which certain RDS employees, who were appointed into Wholetime Firefighter posts, should start was finally resolved in December. Backdated payments of £111,000 are due to be paid 27th January 2012. This amount, along with related employers National Insurance costs of £11,000 and pension contributions of £20,000, have been funded from the Authority's Pay and Price and Pensions Reserves.
- 2.5 Appendix B sets out the position on Capital Expenditure. The programme is currently forecast to be £74,000 underspent and once again this is based upon information to the end of December 2011. Detailed explanations of individual variances are attached at Appendix B.

3.0 Recommendation

That the contents of the report be noted.

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18 January 2012

REVENUE BUDGET 2011/2012 - Spend to 31st December 2011

	2011/2012 Revised Budget £'000	2011/2012 Spend to Date £'000	2011/2012 Forecast Outturn £'000	Variance £'000	Note
Wholetime Firefighters	13,325.0	10,317.8	13,292.6	-32.4	1
Retained Firefighters	2,972.7	1,476.9	2,726.1	-246.6	2
Administrative & Clerical	3,175.8	2,312.8	2,939.0	-236.8	3
Control Room Staff	940.3	708.1	905.6	-34.7	4
Direct Staff Costs	20,413.8	14,815.7	19,863.2	-550.6	
Indirect Staff Costs	425.0	252.6	418.3	-6.7	5
Members Expenses	85.5	61.1	84.9	-0.6	
Premises	1,867.1	1,519.0	1,869.8	2.7	6
Transport	874.4	660.6	841.5	-32.9	7
Supplies and Services	2,389.9	1,642.9	2,353.2	-36.7	8
Operating Leases	247.2	327.2	243.5	-3.7	
External Service Agreements	313.4	160.5	318.9	5.5	9
PFI	574.4	484.4	630.3	55.9	10
Revenue Contribution to Capital	0.0	0.0	0.0	0.0	
TOTAL SERVICE EXPENDITURE	27,190.7	19,924.0	26,623.6	-567.1	
Pensions	3,000.1	2,271.2	3,020.1	20.0	11
TOTAL EXPENDITURE BEFORE CAPITAL CHARGES	30,190.8	22,195.2	29,643.7	-547.1	
Provision For Debt Repayment	1,357.9	0.0	1,352.3	-5.6	
External Interest	1,215.1	626.9	1,171.7	-43.4	12
TOTAL EXPENDITURE	32,763.8	22,822.1	32,167.6	-596.2	
Income					
General Income	-500.3	-399.4	-582.0	-81.7	13
PFI Grant	-649.0	-324.4	-649.0	0.0	
Other Grants/Transitional Funding	-517.6	-842.7	-577.2	-59.6	14
TOTAL INCOME	-1,666.9	-1,566.5	-1,808.2	-141.3	
In Year Reserve Transfers:					
From Pay & Price	0.0	0.0	-122.0	-122.0	
From Pensions			-20.0	-20.0	
NET SERVICE EXPENDITURE	31,096.9	21,255.6	30,217.4	-879.5	

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Appendix A

PRINCIPAL REASONS FOR OUTTURN VARIANCES - REVENUE BUDGET

1. WHOLETIME FIREFIGHTERS (£-32,400)

- 1.1 There have now been eight unexpected leavers since the budget was approved in February 2011. In addition, one employee has been granted a career break for 2 years. These changes since April have resulted in an underspend on gross pay of £160,000.
- 1.2 The temporary duty budget is currently forecast to be £30,000 underspent based upon movements in year to date and also consideration of last year's expenditure. Other pay movements, for example, in respect of staff moving from Day Crewed to Shift Stations, have resulted in an underspend of £20,000.
- 1.3 Based upon recent activity and expenditure to date, the budget for turnout and attendance is currently forecast to be £33,000 overspent.
- 1.4 Overtime and vacancy cover is forecast to be £39,000 overspent. £5,000 of this relates to overtime at Training Centre, the forecast being based upon expenditure to date. This is to be funded from the current underspend on Retained Training Salaries as reported in paragraph 2.7 below.
- 1.5 CFS Activities is forecast to be £49,000 underspent, of which £40,000 is set aside to off set Retained vacancy cover undertaken by both Wholetime and Retained staff.
- 1.6 Overtime incurred delivering BTEC Fire Training for Schools is currently forecast to be £32,000 less than budget due to the Service only being able to secure funding for three courses in 2011/12. This is offset by a reduction in income reported in note 13.1 below.
- 1.7 There is only one LIFE Course and some staff training planned in year. Project overtime previously forecast to be £8,000 is no longer required.
- 1.8 The budget for Continuing Professional Payments (CPD) is now forecast to be £10,000 overspent due to the actual number of staff eligible in year currently being higher than budgeted for.
- 1.9 Due to the Royal Wedding in April, there was an unbudgeted additional bank holiday in 2011/12 which is estimated to result in an overspend to the budget for Public holiday pay of £18,000.
- 1.10 Following a detailed review of the budget for Lay Trainer salaries in relation to Water Rescue training, this element of the budget is currently forecast to be £10,000 underspent. This offsets in part the overspend reported in paragraph 5.1 below in relation to the High Volume Pump Water Safety Project. Other elements of the budget are forecast to be £8,000 overspent in total following a review in September of future requirements.
- 1.11 The HMRC carried out a compliance visit in July 2010 with regard to Employer's records held to ensure that the correct amount of tax was being paid by employees, and also the correct amount of national insurance contributions by both employees and the Authority. During the review it was found that the Authority had unpaid amounts between the period

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2006/07 to 2010/11 of £53,900 of which £23,000 was settled on account and £10,900 accrued for in 2010/11. The remaining £20,000 payable in 2011/12 relates to the following:

- Class 1A NI contributions of £8,700 relating to Principal Officers' lease car benefits between 2006/07 and 2009/10. The employer's Class 1A NI liability should be calculated with reference to the 'cash equivalent value' of a car as defined by the HMRC. However, the calculation had been based upon the 'P11d value' (i.e. the cash equivalent value adjusted to reflect private use of the vehicle) that is used to calculate an employee's personal liability.
- £9,900 relating to home to work mileage paid to on call Officers as a non taxable expense. HMRC have advised that all home to work travel, even when on call, is private mileage which is taxable until such a time when attendance is required at an operational incident. The failure to tax such payments is a charge on the Authority and not a personal charge on the individuals.
- Net interest due on the above amounts of £1,400.

1.12 The outstanding issue of the pay point on which certain RDS employees, who were appointed into Wholetime Firefighter posts, should start was finally resolved in December. Backdated payments of £111,000 are due to be paid 27th January 2012. This amount, along with related Employers National insurance of £11,000, has been funded from the Authority's Pay and Price Reserve.

1.13 In summary:

	£
Leavers since budget approval (note 1.1)	(160,000)
Temporary Duty (note 1.2)	(30,000)
Other pay movements (note 1.2)	(20,000)
Flexible Duty Allowance	11,000
Turnout & Attendance (note 1.3)	33,000
Overtime and Vacancy cover (note 1.4)	39,000
CFS Activities (note 1.5)	(49,000)
Overtime - BTEC Fire Training for Schools (note 1.6)	(32,000)
Overtime - LIFE Courses (note 1.7)	(8,000)
CPD (note 1.8)	10,000
Public Holiday pay (note 1.9)	18,000
Lay Trainer Salaries - Water Rescue (note 1.10)	(10,000)
Lay Trainers (note 1.10)	8,000
National Insurance	16,000
HMRC Charges (note 1.11)	20,000
RDS Development to Competent issue (note 1.12)	<u>122,000</u>
Variance	<u>(32,000)</u>

2. RETAINED FIREFIGHTERS (-£246,600)

2.1 Strength is currently running at 90% (336.0fte) of the 2011/12 budgeted establishment (set at 372.0fte). This equates to 86% of the original establishment (of 392.0fte). Taking into account recent leavers and known future movements, there is currently a forecasted underspend of £118,000 against the gross pay budget including on costs and £68,000 against drill night fees. This will continue to be monitored on a monthly basis. The forecast cost of providing vacancy cover in year is £10,000.

2.2 The budget for Turnout and Attendance payments continues to be reviewed on a monthly basis taking account of activity and expenditure to date. An overspend of £13,000 is currently forecast.

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- 2.3 The budget for paid work had previously been forecast to be £35,000 underspent. Following a decision made at CMB in September, £30,000 of this saving will now be used to fund the cost of training all RDS staff in the new Firewatch system during 2011/12.
- 2.4 The budget for Bounty payments will be £14,000 underspent due to no further employees being eligible for Bounty payments with effect from 31st March 2011. The 2011/12 Estimates should have been reduced to reflect this.
- 2.5 Compensation to be paid as settlement of the Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 of £190,000 was accrued for in 2010/11. However, the Authority was in July 2011, made aware of a number of past employees who, based on information provided by the Fire Brigades Union to the agency processing data on behalf of the National Joint Council, have outstanding Employment Tribunal claims against it. This gives rise to a further compensation payment to be made this year estimated at £16,300.
- 2.6 Following the settlement of the Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, a number of amendments to the Grey Book have been agreed by the NJC which are effective from 1st July 2010. An outstanding issue is the backdating of sickness pay following a change in the method of calculation used. The liability paid totalled £23,000.
- 2.7 Based upon a recent review of the Training Salaries budget, this is now forecast to be £85,000 underspent. Attendance at courses has not been as high as anticipated in year. In addition some training has been undertaken on standard drill nights, rather than requiring specific courses.
- 2.8 The budget for Loss of Remuneration payments (relating to sickness absence due to an injury at work) is forecast to be £18,000 underspent based upon expenditure to date.

2.9 In summary:

	£
Vacancies (note 2.1)	(118,000)
Drill Night Fees (note 2.1)	(68,000)
Vacancy Cover	10,000
Turnout & Attendance (note 2.2)	13,000
Paid Work (Note 2.3)	(5,000)
Bounty Payments (note 2.4)	(14,000)
Part Time Workers Regulations Compensation (note 2.5)	16,000
Backdating of sick pay (note 2.6)	23,000
Training Salaries (note 2.7)	(85,000)
Loss of Remuneration payments (note 2.8)	<u>(18,000)</u>
Variance	<u>(246,000)</u>

3. ADMINISTRATIVE, TECHNICAL AND CLERICAL STAFF (-£236,800)

- 3.1 The primary reason for this variance is current vacancies within the APTC establishment generating an underspend of £298,000 including on costs. This can be broken down as follows:
- Part year savings from the Admin Review £106,000
 - Vacant posts (No cover) £93,000
 - Vacant posts covered by agency staff £48,000
 - Vacant post covered by a Uniformed Officer £45,000
 - Other part year (non recurrent) savings £6,000

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3.2 Regarding Agency Staff, expenditure of £96,200 is forecast against a budget of £24,800. The resulting overspend of £71,400 can be broken down as follows:

- Cover for sickness and maternity absence £13,000
- Cover for vacancies £58,400 (of which £48,000 is funded from the vacancy underspend reported in paragraph 3.1 above).

3.3 Mechanics overtime is currently forecast to be £8,000 underspent based upon claims to date in year, and Call Out Fees £2,000 and a review of expenditure in 2010/11.

3.4 In summary:

	£
Vacancies (note 3.1)	(298,000)
Agency Staff (note 3.2)	71,000
Mechanics' Overtime and Call Out Fees (note 3.3)	<u>(10,000)</u>
Variance	<u>(237,000)</u>

4. CONTROL ROOM STAFF (-£34,700)

4.1 The budget included cover for the Officer seconded to the RCC project in 2010/11. However, following the termination of the project and the return of the seconded, the budget of £40,000 including on costs is no longer required. Similarly, a budget set for reimbursed income will no longer be received.

4.2 Unbudgeted costs of £2,000 are to be incurred in relation to payments for unsociable hours worked on the Firewatch project in support of RDS staff.

4.3 The budget for Continuing Professional Payments (CPD) is forecast to be £2,000 overspent due to the actual number of staff eligible in year currently being higher than budgeted for.

4.4 In summary:

	£
Secondment (note 4.1)	(40,000)
Firewatch Project (note 4.3)	2,000
CPD Payments (note 4.4)	<u>2,000</u>
Variance	<u>(36,000)</u>

5. INDIRECT STAFF COSTS (-£6,700)

5.1 It has previously been reported that Course Fees and related travel would be £21,000 overspent due to:

- Water Rescue training (£6,500) provided under the High Volume Pump Water Safety Project. Funding of £5,600 has been received to part fund this project from National Resilience Offices.
- LIFE Course Fees of £2,500 in year. Income to fund these costs is reported in paragraph 14.1 below.
- Extrication Team competition entry fees and travel (£12,000). Donations of £7,600 have been received to part fund these costs.

However, these amounts had been double counted within project and base budget forecasts. Hence overall the budgets now are in a balanced position.

5.2 The renewal of the Authority's insurance policies for 2011/12 (running 1st October 2011 to 30th September 2012) has been agreed. The premium for Employee Related insurance has increased by £6,000 (9%) per annum to £63,000 (inclusive of a 1% rise in Insurance

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Premium Tax). An estimated increase of 2% was budgeted for with no anticipated rise in tax. This results in a £2,200 overspend in 2011/12.

- 5.3 The budget for CRB Checks is forecast to be £7,000 underspent reflecting fewer checks being required in year.
- 5.4 The budget for Staff Advertising is forecast to be £1,800 underspent through reduced recruitment.

6. PREMISES (+£2,700)

- 6.1 The rates budget is forecast to be £13,300 overspent due to the amount of transitional relief awarded in 2011/12 being less than budgeted for, and inflation of 5% being charged against a budget provision of 2.5%.
- 6.2 The budget for General Maintenance had previously been forecast to be £13,000 overspent. Following a further review of budget in terms of expenditure to date and estimated future work, a marginal underspend of £1,000 is now expected.
- 6.3 The budget for Planned Maintenance is forecast to be £60,000 underspent due to the decision to delay non urgent work, primarily decoration. This saving is to be used to part fund the overspend on Care Servicing as reported in paragraph 6.4 below.
- 6.4 The Care Servicing budget is now forecast to be £70,000 overspent. This is due to:
 - High value follow up work resulting from servicing visits £55,000, and
 - Repairs to appliance bay doors £15,000
- 6.5 The budget for Rent Payable is forecast to be £3,000 underspent due to rent on the existing Fire Station at Grassington not being due in 2011/12.
- 6.6 The Waste Collection budget is forecast to be £1,000 overspent following the alterations at HQ for the Central Administration Office for which confidential waste disposal and skip hire was required.
- 6.7 The budget for Gas has been reviewed in terms of expenditure to date and expected usage up to 31st March 2011. This review has resulted in an expected underspend at year end of £18,000.

7. TRANSPORT (-£32,900)

- 7.1 The budget for Other Vehicles Costs of £283,670 is currently forecast to be £33,000 underspent. This estimate is based upon a review of the previous 5 years' expenditure including the outturn on the 2010/11 budget which was £44,000 underspent.
- 7.2 The budget for Diesel is now forecast to be £33,000 underspent. This follows a review of past usage and is based upon usage in 2010/11 at current prices.
- 7.3 Travel costs of seconded officers are forecast to be £7,500, for which the Authority is reimbursed by the current employer (see paragraph 13.2 below).
- 7.4 The budget for Vehicles insurance is forecast to be £11,000 overspent due to two factors:
 - The renewal of the Authority's insurance policies for 2011/12 (running 1st October

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2011 to 30th September 2012) has been agreed. The premium for Motor insurance has increased by £5,000 (3%) per annum to £157,500 (inclusive of a 1% rise in Insurance Premium Tax). An estimated increase of 2% was budgeted for with no anticipated rise in tax. This results in a £2,500 overspend in 2011/12.

- A refund of £16,000 was received on the premium for 2010/11. This credit should have been split equally between 2010/11 and 2011/12 as the premium year runs from October to September. However, it was charged in full to 2010/11. This has resulted in an £8,000 overspend in the current year.

- 7.5 The budget for Ladder maintenance is forecast to be £8,300 overspent. The tools budget is forecast to be £2,000 underspent.
- 7.6 The cost of Vehicle Insurance Claims (i.e. the excesses paid by the Authority) is forecast to be £4,000 over budget following a review of expenditure to date and that of previous years.
- 7.7 The budget for Compressor Maintenance is forecast to be £8,000 overspent due to repeated breakdowns following the increase to 300 bar in 2011.
- 7.8 The budget for Paint Shop Supplies is now forecast to be £3,800 underspent through reduced usage.

8. SUPPLIES & SERVICES (-£36,700)

- 8.1 The Supplies and Services budget totalling £2,389,900 is made up of some 60 individual budgets. The forecasted underspend is therefore the net sum of a number of under and overspends. The principal variances are as follows:
- 8.2 The budget for Uniforms is forecast to be £90,000 underspent. In the year running up to entering a fully managed service for PPE, stock levels are being run down through the repair of Fire Kit rather than replacement. The first payment for the fully managed service will be in 2012/13.
- 8.3 The costs of Airwave equipment for the Firelink project are unbudgeted at £57,000. There is however Grant from CLG of £23,000 to part off set this cost reported in note 14.1 below.
- 8.4 The cost of Ancillary Hardware and Software is forecast to be £20,000 in year. This is due to a number of small items originally included within the Capital Plan. As these items are individually under the Authority's capital deminimis limit of £10,000, they must be charged to revenue.
- 8.5 The budget for IT consumables is forecast to be £5,000 overspent. This is due to the quantity of printer consumables being used increasing.
- 8.6 The budget for IT Maintenance had been previously forecast to be £20,000 overspent. This was due to a number of agreements whereby either:
- the actual cost of the maintenance agreement was unknown at the time of budget setting (e.g. HR Firewatch system £3,500, Capital Asset Register £3,250)
 - Items with expiring warranty periods not included within 2011/12 budget bid (e.g. Workstations & Printers £4,000)
 - Additional costs due to an increase in the number of licences held (e.g. Chemdata subscription £2,345)
 - The removal of discount from suppliers (PDR Pro £5,000).

This position has now changed and an underspend of £10,000 is forecast. This is due to:

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- A refund of expenditure incurred on accounting software and maintenance in 2010/11 due to the programme being non compliant with International Financial Reporting Standards has been received and credited back to the budget. -£17,000
- Internet GIS may be available free of charge -£7,000.
- Renegotiation of contracts/discounts -£6,000

- 8.7 The budget for IT Mobilising equipment is forecast to be £15,000 underspent due to the renegotiation of contracts in year.
- 8.8 Following a review of the expenditure required for Water Rescue training in year, the budget for equipment is forecast to be £32,000 overspent and for uniforms £3,000 overspent. £24,000 of funding for equipment has been received from DEFRA reported in paragraph 14.1 below.
- 8.9 Following a review of the expenditure requirements of the Central Admin Office, the budget (of £24,000) is forecast to be £12,000 underspent. (This budget was that previously set for expenses of the Corporate Information Unit).
- 8.10 Revenue budget of £55,000 has been provided from 2011/12 onwards to fund the replacement of Breathing Apparatus. Funding was provided for within Supplies and Services in the budget for BA Equipment. As this was a capital purchase funded via borrowing, the costs of financing in year are reported against external interest (see note 12.1 below).
- 8.11 The budget for Consultants Fees is primarily for fees incurred in the early stages of capital projects which are charged to revenue. A recent review of requirements has shown that £15,000 is estimated to be spent in year resulting in an underspend of £45,000. This is partly due to some work carried out by Consultants in previous years e.g. planning applications having been prepared in house in 2011/12. The Other Hired & Contracted Services Budget is now forecast to be £5,000 underspent.
- 8.12 The budget for Hydrant Installation and Repairs is forecast to be £97,500 overspent due to unbudgeted repairs and replacements following inspections.
- 8.13 The budget for Landline & Mobile phones is forecast to be £12,000 underspent due to reductions in tariffs through negotiation.
- 8.14 Medical Fees are now expected to be £6,000 underspent due to a reduced need for physiotherapy and individual support sessions in year

9. EXTERNAL SERVICE AGREEMENTS (+£5,500)

- 9.1 The budget for the Legal Services SLA of £48,180 is now forecast to be £12,000 overspent at the year end. The cost of this service varies year on year and is dependant on the nature of the advice requested and thus the amount of time spent by NYCC Legal Services on Authority issues.
- 9.2 The budget for External Audit fees is forecast to be £11,000 underspent following receipt of a rebate of 8% on the audit fee for 2011/12 on the basis of efficiency. The budget had been based upon an increase of 1.25% on the 2010/11 fee.
- 9.3 With effect from October 2011, West Yorkshire Pension Fund has taken over the responsibility for the administration of the Authority's Firefighter Pension Schemes via a

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Service Level Agreement costing £24,500 for 2011/12. (From April 2012, this agreement will include responsibility for the Pensions Payroll). Budget of £16,000 for the previous SLA with Sunderland City Council was set for 2011/12 resulting in £8,500 overspend this year. It must be noted however that some £19,000 staff savings in relation to the new arrangements have been achieved in year.

- 9.4 The budget for the Financial Services SLA is forecast to be £4,000 underspent at the year end following confirmation of the charge for 2011/12 from NYCC. The saving results from a reduction in the daily rate charged for Internal Audit work since the budget was set.

10. PRIVATE FINANCE INITIATIVE (+£55,900)

- 10.1 This overspend is due to contractual inflation of 5.5% in 2011/12 being omitted from the budget bid used to prepare the 2011/12 Budget.

11. PENSIONS (+£20,000)

- 11.1 The outstanding issue of the pay point on which certain RDS employees, who were appointed into Wholetime Firefighter posts, should start was finally resolved in December. Employer Pension Contributions of £20,000 have been incurred on backdated payments which have been funded from the Authority's Pension Reserve.

12. EXTERNAL INTEREST (-£43,400)

- 12.1 There is unbudgeted loan interest of £7,000 in relation to the purchase of replacement Breathing Apparatus. Despite this, a net underspend of £43,400 is forecast due to the following:

- The part year effect of the late receipt of capital grant for 2011/12 to be spent on Estates £16,000.
- Changes in PWLB loan rates and in the timing of borrowing since budget setting £17,000.
- Changes to the 2011/12 programme since budget approval in February 2011 £17,000

13. GENERAL INCOME (-£81,700)

- 13.1 Funding from delivering BTEC Fire Training for Schools is now forecast to be £38,000 less than budget due to the Service only being able to secure funding for three courses in 2011/12. Planned expenditure has reduced accordingly.
- 13.2 Income in 2011/12 to be received in relation to Seconded Officers is now forecast to be £39,000 more than the original budget. This reflects changes to the number and length of secondments planned at the time the budget was set along with the reimbursement of travel costs.
- 13.3 In line with interest receipts to date, the forecast for interest receivable on short term investments has been revised upwards to £116,000 (against a budget of £85,000).
- 13.4 Following the decision to increase the Authority contribution towards lease cars provided to Station Managers, the income forecast to be received from Officers' personal contributions has decreased by £7,300.

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13.5 There is additional unbudgeted general income of:

- Proceeds for the sale of vehicles £24,000
- Training provided to Eggborough Power Station £5,000
- Donations towards costs of the Extrication Team £7,600
- Salary Sacrifice Employer Savings & Income £12,600
- Sale of Old Equipment & Uniform £6,000
- Vehicle insurance claim income £2,000

14. OTHER GRANTS (-£59,600)

14.1 There is unbudgeted project income to fund incurred or forecasted expenditure (either staff and/or non staff) on the following projects:

- £22,700 has been received from CLG to part fund the costs of Airwave equipment for the Firelink project.
- Total income currently forecast in year to part fund the cost of Water Rescue Training is £32,500. (£24,000 of which has been received from DEFRA to fund training equipment.
- New Dimension Training £7,000
- LIFE Courses £9,500
- City of York CFS Projects £3,500

14.2 There are no Bridge Days or FireNet Courses planned in year resulting in budgeted income of £16,200 not being achieved. Any planned expenditure has reduced accordingly.

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	2011/2012 Original Budget £'000	2011/2012 Spend to Date £'000	2011/2012 Forecast Outturn £'000	Variance £'000
Vehicles				
Pumping Appliances	1,000.0	698.5	1,091.0	91.0
Salvage & Environmental Control Unit	130.0	0.0	0.0	-130.0
Water Rescue Land Rover	0.0	0.0	35.0	35.0
Water Rescue Boat	0.0	0.0	35.0	35.0
Foam/Water Tanker	70.0	0.0	24.0	-46.0
ICU Refurbishment	0.0	0.0	36.0	36.0
Sub Total Vehicles	1,200.0	698.5	1,221.0	21.0
Property Schemes				
Minor Works	194.3	3.4	100.0	-94.3
Major Schemes	2,703.9	818.0	2,245.5	-458.4
Sub Total Property	2,898.2	821.5	2,345.5	-552.7
IT Strategy	338.8	133.1	214.5	-124.3
Breathing Apparatus	0.0	431.0	431.0	431.0
Helmets	0.0	151.0	151.0	151.0
<u>TOTAL CAPITAL EXPENDITURE</u>	4,437.0	2,235.0	4,363.0	-74.0

FUNDING	£000		£000	£000
Finance Leasing	0.0		0.0	0.0
Usable Capital Receipts	0.0		0.0	0.0
CLG - Capital Grant	2,098.0		2,098.0	0.0
DEFRA - Capital Contribution to Water Rescu	0.0		50.0	50.0
Revenue Contribution To Capital	0.0		0.0	0.0
Additional Borrowing	2,339.0		2,215.0	-124.0
<u>TOTAL FUNDING</u>	4,437.0	-	4,363.0	-74.0

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Appendix B

PRINCIPAL REASONS FOR OUTTURN VARIANCES - CAPITAL PROGRAMME

1. Vehicles (+£21,000)

- 1.1 It had previously been reported that the two pumping appliances planned for replacement in 2011/12 not be complete and operational by 31st March 2012 and outstanding expenditure of £396,000 would have to be carried forward into 2012/13. However, this position has now changed and the appliances will be complete at the year end.
- 1.2 The two 4 x 4 appliances purchased in year have cost £91,000 more than planned (£490,000) due to changes in the specification required following approval of the capital programme in February 2011.
- 1.3 The remainder of the programme has been amended to take account of the decision not to replace the Salvage and Environmental Unit (-£130,000), but to incur unbudgeted expenditure on:
 - Water Rescue Landover £35,000 (funded 77% by grant from DEFRA)
 - Water Rescue Boat £35,000 (funded 77% by grant from DEFRA)
 - Incident Command Unit £36,000
- 1.4 Of the Foam/Water Tanker replacement planned at £70,000, only the water bowsers will now be replaced at a cost of £24,000.

2. Property Schemes (-£552,700)

- 2.1 The capital budget for Capital Maintenance is forecast to be £94,300 underspent. This is primarily due to work planned on Selby Extension in year no longer being required (£70,000).
- 2.2 Capital budget of £50,000 was approved for 2011/12 in relation to Snainton Fire Station project. This expenditure will not be incurred this year.
- 2.3 Work on the fire station at Grassington is not due to start until February 2012. It is now expected that only £95,000 of the £700,000 within the original plan will be spent in 2011/12. Included within the £700,000 budget was the lease premium payment of £90,000 relating to the land. However, this is a charge to the revenue budget over the life of the lease under accounting regulation.
- 2.4 The Administrators in connection with the Harrogate Station build have now accepted £100,000 in full and final settlement of the outstanding claim. This payment is an unbudgeted charge against the capital programme.
- 2.5 The contractor for the Danby Project went into administration on 8th November 2010. The final account application is currently being finalised. Potential additional costs payable in 2011/12 are currently forecast to be £147,000.
- 2.6 Following the tendering exercise in relation to the move of Easingwold Fire Station, total expenditure in year will be £80,000 against an original budget within 2011/12 of £60,000.
- 2.7 The York project is now on track. The forecasted expenditure for 2011/12 is £1,400,000 against an original budget within 2011/12 of £1,476,600.

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3. IT Strategy (-£124,300)

- 3.1 IT Projects are forecast to be £124,300 underspent. This is primarily due to the inclusion of costs in the programme properly charged to Revenue totalling £92,000.
- 3.2 In addition, the project for USB Encryption & Port Blocking costing £30,000 will not be carried out due to insufficient resources to carry out project to completion in financial year. These costs have been carried forward and included in the draft Capital Programme for 2012/13 within the 2012/2013 Provisional Revenue Estimates, Capital Programme and Precepts report.

4. Breathing Apparatus (+£431,000)

- 4.1 The replacement of Breathing Apparatus costing £431,000 is a capital purchase funded via borrowing at a cost of £36,000 per year over 15 years. Revenue budget of £55,000 has been provided from 2011/12 onwards to fund the purchase of the equipment whether by a managed service, lease arrangement or borrowing. This budget included both the provision for debt repayment and interest charges in the first year. However, the provision for debt repayment commences the year after purchase and as only 6 months of interest charges of £7,000 are due within the 2011/12, revenue saving of £48,000 has occurred in the current year, with £19,000 a year thereafter. Further details are provided in Appendix A.

5. Helmets (+£151,000)

- 5.1 The helmets purchased in 2011/12 as part of the PPE Total Care Package to commence June 2012 have been charged to the capital programme. Originally the cost was to be reimbursed by the service provider. However, this refund will now be reflected in the reduced contract charge to commence next year.