



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

Report to: THE BOARD OF THE SCOTTISH FIRE AND RESCUE SERVICE
Report Number: B/FCS/6-15
Date: 26 FEBRUARY 2015
Report By: CHIEF OFFICER

Subject: RESOURCE BUDGET MONITORING REPORT – JANUARY 2015

1 PURPOSE

- 1.1 The purpose of this report is to advise members of the resource budget position for the period ending 31st January 2015

2 RECOMMENDATIONS

- 2.1 Members are asked to approve the following recommendation:
(a) That the resource budget position for the period ending 31st January 2015 be noted.

3 BACKGROUND

- 3.1 This report forms part of the regular financial monitoring process.

4 GRANT IN AID FUNDING

- 4.1 The Scottish Government has allocated funding to SFRS for 2014/15 to £310.116 million. This funding comprises a Resource and Capital Departmental Expenditure Limit (DEL) of £287.541 million and £22.625 million in respect of depreciation (Ring-fenced or “non-cash” DEL).
- 4.2 For 2014/15 the Resource and Capital elements of DEL funding have not been separately identified, thus giving the Service a degree of flexibility. The capital programme has been revised at £21.3 million therefore the balance of £266.241m is assigned to the Resource budget.
- 4.3 At this stage in the financial year the Scottish Government undertakes a Spring

implemented. It is anticipated that a number of changes will be made to the SFRS budget to take account of Commonwealth Games funding, return of the Firelink budget to Scottish Government for this financial year, allocation to capital, and loan charges. Taking account of these anticipated changes, the updated Resource budget for 2014/15 is shown as £259.068m. The final adjustment will be confirmed and reflected in a revised Grant in Aid letter which the Service will receive in due course. In addition to the DEL funding, the Service has now received confirmation from the Scottish Government that they will receive funding of £2.206million to cover the extra cost of the Commonwealth Games.

5 CURRENT POSITION

- 5.1 A summary of the consolidated financial position at this stage in the financial year is attached at Appendix A. This report details the current **underspend against budget of £0.969million (0.4%)**.

6 FORECAST

- 6.1 The forecast position at this stage in the year shows an **underspend against budget of £0.661 million (0.3%)**. The significant areas that are contributing to this underspend are; savings in staff costs which are partially offset by; pressure on the overtime budget for wholetime personnel; other employee costs; supplies and services; property costs and under recovery of income.
- 6.2 Elements of work have already been initiated to address the areas of projected overspend and these have been included in the budget modelling for 2015/16.

7 ANALYSIS

- 7.1 Appendix B provides an explanation of the current significant variances relative to budget.
- 7.2 Appendix C provides further analysis by directorate of the financial position at month end.

8 FINANCIAL IMPLICATIONS

- 8.1 The financial implications are outlined within the report.

9 EMPLOYEE IMPLICATIONS

- 9.1 There are no employee implications directly associated with this report.

10 CORE BRIEF

- 10.1 The Director of Finance and Contractual Services advised the Board of the resource budget position for the period ending 31 January 2015. Within the context of requiring to reduce the overall cost base of SFRS by c.£45million over the first 3 years of the Service, the current budget position shows an underspend against budget of 0.4%, reducing to 0.3% by the end of the financial year.

ALASDAIR HAY
Chief Officer

FEBRUARY 2015