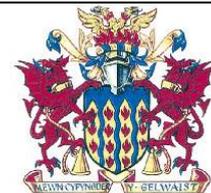


Report to	<b>North Wales Fire and Rescue Authority</b>
Date	<b>16 September 2019</b>
Lead Officer	<b>Ken Finch - Treasurer</b>
Contact Officer	<b>Ken Finch (01745 535286)</b>
Subject	<b>Final Audited 2018/19 Statement of Accounts and Provisional Outturn 2019/20</b>



## **PURPOSE OF REPORT**

- 1 To confirm the approval of the final audited 2018/19 Statement of Accounts by the Executive Panel at its meeting on 29 July 2019.
- 2 To present the projected revenue and capital expenditure position, as at 31 August 2019.
- 3 To seek approval to reclassify the revenue budget headings to fully comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) reporting requirements.

## **EXECUTIVE SUMMARY**

- 4 At its meeting of the 17 June 2019, the Fire and Rescue Authority (the Authority) received the draft 2018/19 Statement of Accounts. The approval of the final audited accounts was delegated to the Executive Panel. The Executive Panel discharged this delegation on the 29 July 2019 following receipt of the report of the Auditor General for Wales which confirmed an unqualified opinion. The final audited accounts are available on the Authority's website.
- 5 The Authority approved a revenue budget of £35.2m at its meeting on 17 December 2018. The forecast outturn position remains that the Authority will achieve a breakeven against this budget. A review of the budget has been undertaken and the budget headings realigned to ensure compliance with the CIPFA reporting requirements.
- 6 The Authority approved a capital budget of £3.1m on 17 December 2018. This has been reviewed and revised to £2.1m.

## **RECOMMENDATIONS**

- 7 Members are asked to:
  - I. Note the approval of the final audited 2018/19 Statement of Accounts;
  - II. Note the draft revenue and capital outturn positions as detailed within the report; and

- III. Approve the budget realignment, as required by the financial regulations.

## OBSERVATIONS FROM EXECUTIVE PANEL/AUDIT COMMITTEE

- 8 This report has not previously been considered by members.

## BACKGROUND

- 9 The 2018/19 audited Statement of Accounts were approved by the Executive panel on 29 July 2019. As required by Regulation 13 of the Accounts and Audit (Wales) Regulations 2014, the audited accounts have been made available on the Authority's website.
- 10 This report provides information on the draft revenue and capital expenditure outturn position for the 2019/20 financial year. The report also seeks approval for the realignment of the budget headings, to ensure compliance with the CIPFA reporting requirements.

## INFORMATION

### REVENUE BUDGET

- 11 The table below sets out the draft revenue outturn position for the 2019/20 financial year. This details a breakeven position against the budget of £35.237m.

Revenue	Budget £	Projection £	Variance £
Staffing	25,460,571	25,460,571	0
Premises	1,835,579	1,911,657	76,078
Transport	1,035,415	992,657	-42,758
Supplies	3,199,886	3,335,852	135,966
Third Party	846,763	913,809	67,046
Capital Financing	3,159,476	3,037,162	-122,314
Income	-300,578	-414,596	-114,018
<b>Total</b>	<b>35,237,112</b>	<b>35,237,112</b>	<b>0</b>

### Employee Costs

- 12 For the 2019/20 financial year, the budget for expenditure relating to employees is £25.460m which represents 72% of expenditure. The draft outturn forecast is a balanced position, although this will only be achieved through the careful management of existing budget pressures and normal activity levels.

### Premises

- 13 The budget for premises is £1.836m and an over spend of £76k is projected. Key areas of overspend include utility and refuse collection costs.

#### Transport

- 14 The projected expenditure for transport related costs is £992k which is £43k under budget. This has been achieved through the management of travel costs.

#### Supplies

- 15 The projected expenditure on supplies amounts to £3.161m which is an over spend of £135k against budget. This includes increased costs in relation to computer licences, computer maintenance and expenditure in relation to the Local Resilience Forum. The increased expenditure on the Local Resilience Forum is offset by additional income.

#### Capital Financing

- 16 The capital financing budget is £3.159m. The capital financing costs include the charge to revenue for depreciation and also the cost of borrowing. There is an anticipated underspend of £122k which reflects the reductions in the 2018/19 capital programme. This forecast anticipates that interest rates will remain at their current level.

#### Income

- 17 The income budget is £301k. Anticipated income (excluding grants) is £415k. This is largely due to ring fenced income in relation to the Local Resilience Forum.

#### Revenue Grant Funding

- 18 A breakdown of grant funding, for 2019/20, is detailed below.

	£
Arson Reduction	143,529
HFSC	223,300
Phoenix	386,549
National resilience	141,593
Firefighters Pension Contributions	1,085,673
Firelink	415,600
<b>Total Grant Funding</b>	<b>2,396,244</b>

## CAPITAL PROGRAMME

- 19 The Authority approved a capital programme of £3.119m. The capital programme has been reviewed and amended to fully reflect projects that are planned to be delivered in year.
- 20 The communications and operational equipment budgets have been revised following completion of projects during 2018/19.
- 21 The major building works relates to the refurbishment of the Dolgellau site which will not progress this financial year.

	<b>Original Budget £</b>	<b>Revised Budget £</b>
Information Technology	1,007,155	953,649
Minor Building Works	728,988	878,000
Operational Equipment	266,522	41,000
Vehicles	421,429	180,000
Communications Equipment	200,000	0
Major Building Works	495,300	0
<b>TOTAL</b>	<b>3,119,394</b>	<b>2,052,649</b>

## REVISED BUDGET

- 22 A review of the budget headings has been undertaken, to ensure compliance with CIPFA reporting requirements. The overall budget remains unchanged although the need to revise the classifications for a number of areas of expenditure has been identified.
- 23 In addition, the budget has been amended to reflect grant income and projected expenditure. The changes to the budget are documented below.

	<b>Original Budget £000</b>	<b>Grants £000</b>	<b>Other adjustments £000</b>	<b>Revised Budget £000</b>
Employees	25,461	1,547	259	27,267
Premises	1,836		333	2,169
Transport	1,035	34	-79	990
Supplies & Services	2,986	939	194	4,119
Third Party Payments	1,061		-607	454
Capital Financing	3,159		-83	3,076
Income	-301	-2396	-141	-2,838
<b>Total</b>	<b>35,237</b>	<b>0</b>	<b>0</b>	<b>35,237</b>

Approval is sought to realign the budget in line with these requirements.

## IMPLICATIONS

<b>Well-being Objectives</b>	This report links to NWFRA's long-term well-being objectives. Funding for the Service benefits the communities of North Wales and ensures there is sufficient investment in infrastructure to enable the service to provide emergency responses and prevention work well in to the future.
<b>Budget</b>	Budget is set annually in accordance with the proposed service delivery which includes emergency response and prevention work.
<b>Legal</b>	It is a legal requirement that the Authority produces the Statement of Accounts in accordance with the prescribed standards
<b>Staffing</b>	None
<b>Equalities/Human Rights/Welsh Language</b>	None
<b>Risks</b>	Income and expenditure is closely monitored to ensure that deviations from the approved budget are properly identified and reported to Members.