

STATEMENT OF ACCOUNTS

2007/08

(AUDITED)

TAYSIDE FIRE AND RESCUE BOARD

STATEMENT OF ACCOUNTS 2007/08

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SECTION 1

TAYSIDE FIRE AND RESCUE BOARD

MEMBERS AND OFFICIALS 2007/08

Convener

Depute Lord Provost Charles Farquhar OBE JP DL (Dundee) – membership ceased 2 May 2007

Councillor Ken Lyall (Perth) – appointed to Board 16 May 2007 – appointed Convener 11 June 2007

Vice Convener

Depute Provost Stewart McGlynn (Angus) – membership ceased 2 May 2007

Councillor David Dow (Perth and Kinross) – membership ceased 2 May 2007

Councillor Frank Ellis (Angus) – appointed to Board 22 May 2007 – appointed Vice Convener 11 June 2007 –
resigned Vice Convener 12 June 2007

Councillor John Whyte (Angus) – appointed to Board 28 June 2007 – appointed Vice Convener 20 August 2007

Bailie Helen Wright (Dundee) – appointed to Board 24 May 2007 – appointed Vice Convener 11 June 2007

Angus Council

Appointed Members

Councillor J Gibb – membership ceased 2 May 2007

Councillor H Oswald – membership ceased 2 May 2007

Councillor G Norrie MBE – membership ceased 2 May 2007

Councillor R Myles – membership ceased 2 May 2007

Councillor F Ellis – appointed to Board 22 May 2007

Councillor D Fairweather – appointed to Board 22 May 2007

Councillor R Myles – appointed to Board 22 May 2007

Councillor M Salmond – appointed to Board on 22 May 2007, resigned 28 June 2007

Councillor S West – appointed to Board on 22 May 2007

Dundee City Council

Appointed Members

Councillor J Barrie – membership ceased 2 May 2007

Councillor H Dick – membership ceased 2 May 2007

Lord Provost J Letford – membership ceased 2 May 2007

Councillor B Mackie OBE – membership ceased 2 May 2007

Councillor G Regan – membership ceased 2 May 2007

Councillor C Roberts – membership ceased 2 May 2007

Bailie G Regan – appointed to Board 24 May 2007

Bailie R Wallace – appointed to Board 24 May 2007

Councillor M Asif – appointed to Board 24 May 2007

Councillor J Barrie – appointed to Board 24 May 2007

Councillor H Dick – appointed to Board 24 May 2007

Councillor C Roberts – appointed to Board 24 May 2007

Perth and Kinross Council

Appointed Members

Councillor A Barr – membership ceased 2 May 2007
Councillor A Jack – membership ceased 2 May 2007
Councillor I Miller – membership ceased 2 May 2007
Councillor D Scott – membership ceased 2 May 2007
Councillor L Simpson – membership ceased 2 May 2007

Councillor A MacLellan – appointed to Board 16 May 2007
Councillor P Mulheron – appointed to Board 16 May 2007
Councillor D Scott – appointed to Board 16 May 2007
Councillor L Simpson – appointed to Board 16 May 2007
Councillor A Stewart – appointed to Board 16 May 2007

Officials

Chief Fire Officer – S Hunter BSc MBA MCGI FIFireE QFSM
Treasurer – Mr J Symon ACA - (Perth and Kinross Council)
Clerk – Mrs G Taylor MBA - (Perth and Kinross Council)

SECTION 2

EXPLANATORY FOREWORD

2.1 Introduction

The expenditure incurred by the Tayside Fire and Rescue Board (the Board) is made up of two elements: revenue expenditure and capital expenditure. Revenue expenditure relates to the day to day running costs of the Board whereas capital expenditure relates to the purchase, building or improvement of physical assets where the benefit to the Board extends beyond one year (e.g. the acquisition of land and buildings or the enhancement or replacement of vehicles etc).

This foreword is presented as a commentary on the Board's overall financial position as shown within the Statement of Accounts for 2007/08 and contains explanations of the major influences on the Board's income, expenditure and cash flow.

2.2 Accounting Policies

The Statement of Accounting Policies sets out the basis upon which the financial statements have been prepared and explains the accounting treatment of both general and specific items. The Board has adopted the accounting practices recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authorities (Scotland) Accounts Advisory Committee (LA(S)AAC). The accounting policies and estimation techniques have been reviewed for 2007/08 to ensure that the accounts present fairly the financial performance and position of the Board.

2.3 The Financial Statements

The core financial statements presented within the Statement of Accounts are as follows:-

- (a) **The Income and Expenditure Account** - this summarises the resources that have been generated and consumed in providing services and managing the Board during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the projected real value of retirement benefits earned by employees in the year.
- (b) **The Statement of Movement on the General Fund Balance** - the General Fund Balance compares the Board's spending against the funding that it received for the year, taking into account the use of reserves built up in the past and contributions to funds and reserves. This statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.
- (c) **The Statement of Total Recognised Gains and Losses** - This statement brings together all the gains and losses of the Board for the year and shows the aggregate increase or decrease in its net worth. In addition to the surplus generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the costs of retirement benefits.
- (d) **The Balance Sheet** - this details the overall financial position of the Board as at 31 March 2008.
- (e) **The Cash Flow Statement** - this summarises the inflows and outflows of cash arising from both revenue and capital transactions during the year.

The Notes to the Statements are intended to give the reader further information which is not separately detailed in the financial statements.

2.4 Tayside Fire and Rescue Board Financial Arrangements – Revenue and Capital Budget

The Board approved a revenue budget of £27.511m for 2007/08 (2006/07: £26.797m) of which £27.469m (2006/07: £26.787m) was to be requisitioned from the constituent Councils with the remaining £0.042m (2006/07: £0.010m) to be funded from the Board's General Reserve balance. It had previously been agreed that the costs of the Board be apportioned between the constituent Councils as follows:-

Angus	19%
Dundee City	52%
Perth and Kinross	29%

The percentage split was determined following analysis of the Board's actual expenditure within the constituent Council boundaries and reflects the location of the Board's full-time and part-time Fire Stations. The Councils are requisitioned for the appropriate amounts during the financial year.

Separate arrangements are in place with regard to capital expenditure. The Board is required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities ("the Code") when carrying out its duties under Part 7 of the Local Government in Scotland Act 2003. The Code permits the Board to fund capital expenditure through capital grant and from any other source, subject to agreed prudential limits. The level of capital grant notified as being receivable in 2007/08 was £1.915m (2006/07: £1.825m). This was notified to the Board by the Scottish Government and the Financial Plan was formulated in line with this.

2.5 Revenue Expenditure - Major Financial Variances

The Income and Expenditure Account shows that the Board's net cost of services for 2007/08 was £28.148m. Note 6.3 uses an alternative layout to compare the net cost of services against the 2007/08 revenue budget and the major financial variances are summarised and further analysed below.

	2007/08	2007/08	Variance
	Budget	Actual	
	£000	£000	£000
Staff Costs	23,305	23,267	(38)
Running Costs	4,863	5,061	198
Asset Impairment	0	0	0
Income	(245)	(180)	65
Net Cost of Services	27,923	28,148	225

Staff Costs – Underspend £38k

The original budget for staff costs is not prepared on the basis required by Financial Reporting Standard 17 – Retirement Benefits ("FRS17") but is based on actual budgetary need. However, the actual expenditure incurred is adjusted, accounted for and recorded in accordance with FRS17. The FRS requires all pension costs budgeted and actually incurred to be removed and replaced with figures derived from an actuarial valuation. The net effect of the actuary's adjustment was a charge of £519k against staff costs, but this was offset by an actual underspend on salary costs of £557k.

The additional underspend on salary costs arose mainly as a result of staff vacancies (£157k), lower than anticipated activity with the Retained sector (£132k), a reduction in pension commutations as a result of fewer ill-health retirements than were budgeted (£329k), all offset by an increase in other firefighters' pension payments (£36k) and other staff costs (£25k).

Running Costs - Overspend £198k

Running costs comprise revenue expenditure incurred through the normal course of business on land and property, supplies and services, transport payments and other corporate items.

The overspend was mainly in relation to increased expenditure on property related matters (£45k), greater than budgeted expenditure on protective clothing and uniforms to enable the Board to keep up to date with

protective clothing standards (£64k), greater than budgeted expenditure on ICT and communications to ensure the Board continues to be suitably supported on an adequate ICT platform (£92k), increased expenditure on fuel due to rapidly rising fuel prices (£23k), all offset by a saving in insurance costs due to the successful negotiation of a discount in premiums payable (£26k).

Income – Income Received Below Budget by £65k

The Board places personnel in other organisations which are then recharged for costs. An estimate is made of how many people are likely to fall into this category and the budget set accordingly. The recharge income for 2007/08 was £59k less than that originally budgeted for. In addition, other income fell short of budget by £6k, mainly from licensing.

2.6 Capital Expenditure – Analysis of Expenditure

Capital expenditure is controlled by The Prudential Code for Capital in Local Authorities (“The Code”). The Code allows the Board to set its own borrowing limit. In practice the Scottish Government issues an annual capital grant to the Board and the Capital Expenditure Plan for 2007/08 was formulated within this limit. Capital expenditure incurred prior to the introduction of the Code continues to be financed by existing borrowing with the repayments being met from the revenue budget over the anticipated life of the asset.

The Board's Capital Expenditure Financial Plan for 2007/08 included provision for:

- the purchase, build, and fitting out of four rescue pumps,
- the purchase, build and fitting out of one combined aerial rescue pump,
- the completion of a training facility at Blackness Road, Dundee,
- the improvement of facilities at Macalpine Road, Dundee,
- Health and Safety improvements and other improvements to other fire stations,
- Investment in ICT infrastructure.

and was to be funded as follows:

2006/07		2007/08
Available		Available
Funding		Funding
£000		£000
1,330	Formula-Based Capital Grant	1,330
495	Top-Slice Capital Grant	585
347	Other Capital Contributions	206
238	Capital Funding from Current Revenue (CFCR)	714
52	Sales Proceeds from Disposal of Assets	46
41	Previous Years' Grant Carried Forward	41
2,503	Total Capital Expenditure Funding Available	2,922
2,462	Total Capital Expenditure During Year (see below)	2,887
41	Capital Grant Carried Forward to Next Financial Year	35

Actual capital/CFCR expenditure during the year totalled £2.887m (2006/07: £2.462m) as follows:

- the purchase and completion of four front-line rescue pumps, the purchase and commencement of construction of a combined aerial rescue pump, the purchase of a further three rescue pump chassis to enable construction to commence in 2008/09, and the purchase/build of other ancillary/firefighting support vehicles, all totalling £1.447m,
- expenditure on training facilities at Fire Stations totalling £0.303m,
- other major capital works on property assets totalling £0.633m,
- the purchase of operational equipment and protective equipment totalling £0.313m,
- the purchase and installation of IT infrastructure totalling £0.191m.

2.7 FRS17 Retirement Benefits – Pension Fund Liability

The Board's employees are eligible to join one of two pension schemes dependent on their conditions of service. A third pension scheme is now closed to new entrants. The New Firefighters Pension Scheme (“the New Scheme”) was established with effect from 6 April 2006 and entry to the Old Firefighters Pension

Scheme (“the Old Scheme”) was closed to new entrants on that date. Remaining members of the Old Scheme will remain preserved in the Old Scheme. From 6 April 2006 new uniformed entrants to the service can only join the New Scheme.

Support staff and Command and Control personnel are eligible to join the Local Government Pension Scheme.

FRS17 requires bodies to fully disclose the impact of retirement benefit liabilities on their operations. The Standard requires disclosure of the full effect of any pensions surplus/deficit arising on a body’s pension fund. This is to be done by accounting for the surplus/deficit as an asset/liability on the face of the balance sheet. The Code of Practice on Local Authority Accounting in the United Kingdom also allows the Board to offset this asset/liability with the creation of a pensions reserve on the balance sheet.

To comply with the requirements of FRS17 an assessment of the cost, income, assets and liabilities attributable to the Board as at 31 March 2008 was provided by an independent actuary for the Old Firefighters Pension Scheme, the New Firefighters Pension Scheme and the Local Government Pension Scheme. The Local Government Pension Scheme was measured on the basis of the last triennial actuarial valuation carried out as at 31 March 2005 and adjusted for all known movements since then.

As a result a Pensions Fund liability of £152.5m is disclosed on the balance sheet as at 31 March 2008 (31 March 2007: £160.6m). This is matched by a Pensions Reserve with a balance of £152.5m (31 March 2007: £160.6m). The significance of this liability is that if every member of the pension scheme were to retire on 31 March 2008 the net cost to the Board in terms of pension benefits accrued to that date would be £152.5m.

2.8 Reserves Strategy

The Board has agreed a reserves strategy to allow it to address future budget constraints and other material financial pressures.

In preparing the 3-year budget for 2008/09 – 2010/11 it was agreed that the Board would utilise £0.562m from its own reserves over the next three years. In addition, the anticipated transfer of a senior member of the management team to another Fire and Rescue authority in May 2008 has resulted in unbudgeted pension expenditure in 2008/09 of £0.547m that also requires to be considered.

The actual underspend achieved in 2007/08 was £0.418m and this was added to the opening General Fund balance of £1.418m to produce a General Fund balance at 31 March 2008 of £1.836m. Under the reserves strategy £1.109m has been earmarked against the items described above and a further £0.504m is earmarked against known future pension commitments, leaving an uncommitted balance on the General Fund at 31 March 2008 of £0.223m. This is tabulated in Note 6.2. The uncommitted balance represents less than 1% of the Board’s Revenue Budget for 2008/09, which is below the approved range of 1.5% to 5%. The Board will need to reconsider its approach to managing its reserves during the current financial year.

At the date of preparing this report there was significant uncertainty about the financial impact of possible changes to the way in which Firefighters Pension Lump Sum Payments are calculated and funded. Details are set out in note 6.20 on page 36 of the Statement of Account.

2.9 Acknowledgements

I would like to thank the Chief Fire Officer and his staff for the effective management of the Board's finances in what has been yet another challenging year. I would also wish to thank all staff who have been involved in the preparation of Tayside Fire and Rescue Board's Statement of Accounts for 2007/08.

J Symon ACA
Treasurer
26 June 2008

SECTION 3

STATEMENT OF ACCOUNTING POLICIES

3.1 General

This Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom - A Statement of Recommended Practice 2007 (the 2007 SORP) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LA(S)AAC).

The Accounts are intended to present fairly the financial position and transactions of the Board and have been prepared in accordance with the fundamental accounting principles of relevance, reliability, comparability, understandability and materiality. The financial statements, other than the Cash Flow Statement, have been prepared on an historic cost basis modified by the revaluation of certain categories of fixed assets. Amounts, other than those in the Cash Flow Statement, are included on an accruals basis and the primacy of legislative requirements has been recognised.

Tayside Fire and Rescue Board, as the combined Fire Authority for Tayside, has statutory responsibilities under the Fire (Scotland) Act 2005 and is a 'going concern' (refer to para 3.13).

3.2 Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. Land, operational properties, vehicles and equipment have been included in the balance sheet at the lower of net current replacement cost or net realisable value. Non-operational assets (assets under construction) are included at the cost incurred to bring them to their present state of completion as at 31 March 2008.

The current asset values in the accounts are based upon an estimate of the net value after allowing for depreciation. Any additions are included in the accounts at their cost of acquisition.

3.3 Depreciation

Depreciation is provided on all assets with a finite useful life that can be determined at the time of acquisition or revaluation. Provision is made on a straight-line basis at rates that are calculated to write off the costs or valuation less estimated residual value of each asset over their remaining estimated useful lives. The useful lives used for each class of asset are detailed below.

Specific components of buildings are treated as having different useful lives for the purpose of depreciation. An independent expert opinion is sought every five years as to the expected useful life of each building and its component parts. Depreciation is then provided over that period, or in the absence of such a professional opinion over the following useful lives:

Main Building	25 years
Drill Towers	25 years
Wiring	20 years
Windows	20 years
Heating	15 years
Pitched roof	25 years
Flat roof	15 years

- The estimated useful lives of vehicles range from 3 to 15 years.
- The estimated useful lives of equipment range from 3 to 15 years.

3.4 The Basis of Charges made to the Income and Expenditure Account for Fixed Assets

In determining the Net Cost of Services, fixed asset depreciation is charged to the Income and Expenditure Account along with, where required, any related impairment loss due to a clear consumption of economic benefits.

An adjustment is then made through the Statement of Movement on the General Fund Balance to remove the depreciation charge. Legislation demands this be excluded when determining the movement on the General Fund balance for the year.

A further adjustment is then made through the Statement of Movement on the General Fund Balance to include Loans Fund principal repayments as the 2007 SORP requires that this be excluded from the Income and Expenditure Account, but included when determining the movement on the General Fund balance for the year.

3.5 Reserves

The Board has established six reserves, the General Reserve, the Pensions Reserve, the Revaluation Reserve, the Capital Adjustment Account, the Financial Instruments Adjustment Account and the Usable Capital Receipts Reserve.

The General Reserve was introduced in 2002/03 following the introduction of the facility to carry forward revenue balances contained within the Police and Fire Services (Finance) (Scotland) Act 2001. It can be used to fund future budget pressures and known pension commitments as and when they arise. A part of it is currently earmarked for these purposes.

The Pension Reserve was introduced in 2003/04 to comply with the requirements of FRS17 Retirement Benefits.

The Revaluation Reserve and Capital Adjustment Account were established in 2007/08 and, along with the Usable Capital Receipts Reserve, comply with local authority capital accounting rules and are only used for this specific purpose.

The Financial Instruments Adjustment Account was introduced in 2007/08 to comply with the requirements of FRS25, FRS26 and FRS29 on Financial Instruments.

3.6 Basis of Funding and Charging for Capital

For accounting periods commencing on or after 1 April 2004 capital expenditure is primarily financed by way of a capital grant receivable on an annual basis from the Scottish Government, or from Capital Expenditure Financed From Revenue (CFCR).

For capital expenditure incurred prior to 1 April 2004 the Board borrowed from external sources and this borrowing continues to be managed through Perth and Kinross Council's Consolidated Loans Fund (CLF). The Council's CLF made advances to the Board to finance capital expenditure and then makes charges in respect of principal repayments, interest and debt management expenses.

3.7 Receipts from the Sale of Capital Assets

Capital receipts arising from the sale of assets are applied to increase the level of capital expenditure.

3.8 Revenue and Capital Transactions

Revenue and capital transactions are included in the accounts on an accruals basis, they are recognised as they are earned or incurred, not as money is received or paid.

3.9 Revenue and Capital Debtors and Creditors

All specific and material sums payable to and due by the Board as at 31 March 2008 have been brought into account. All salaries and wages payable up to 31 March 2008 are included in the Statement of Accounts for that year, irrespective of when actual payments were made. Sundry creditors and debtors include all specific accruals in respect of further material items.

3.10 Stores and Work in Progress

Stock balances are included in the balance sheet on an average cost basis. This does not comply with Statement of Standard Accounting Practice (SSAP) 9 "Stocks and Long Term Contracts" which states that the value at which stocks should be included in the financial statements is the lower of cost and net realisable value. This departure from standard accounting practice is immaterial to the presentation of the Board's financial position.

3.11 Insurance

Expenditure included in the Statement of Accounts relates to premiums paid, policy excesses and the settlement of claims.

3.12 Pensions

The Board participates in three pension schemes which provide members with defined benefits related to pay and service. The schemes are as follows:-

i) Schemes Applicable to Uniformed Firefighters

There are two pension schemes applicable to uniformed firefighters. The Old Firefighters Pension Scheme ("the Old Scheme") was closed to new entrants on 6 April 2006 and remaining members will remain in the Old Scheme on a preserved basis. The Old Scheme is unfunded and the charge to the accounts represents the net cost of pensions and other benefits after allowing for contributions made by employees for the year.

The New Scheme was established on 6 April 2006 and is available to all Retained and Full-time uniformed firefighters from that date. The New Scheme is unfunded and the charge to the accounts represents the net cost of pensions and other benefits after allowing for contributions made by employees for the year.

ii) Schemes Applicable to Other Employees

Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (Tayside Superannuation Fund). The pension costs that are charged to the Board's accounts in respect of these employees are equal to the contributions paid to the funded pension scheme for these employees.

3.13 Going Concern

The balance sheet at 31 March 2008 shows net liabilities of £142.0m. This net liability position reflects the inclusion of net pension liabilities of £152.5m falling due in future years and arising from the application of FRS 17. It is appropriate to adopt a going concern basis for the preparation of the financial statements as the constituent authorities have a legal obligation under the 1995 Combined Area Amalgamation Scheme Order to provide the Board with funding to meet all liabilities as they fall due.

3.14 Grants

Government grants are treated on an accruals basis and, in the case of capital grants, income has been credited to a Government Grants Deferred Account to be written off over the useful life of the associated asset.

3.15 Leases

The Board holds no assets under finance leases.

In the case of assets held under operating leases leasing costs are charged evenly to revenue over the period of the lease.

3.16 Prior Period Adjustment

Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors are accounted for by restating the comparative figures for the preceding period and adjusting the opening balance of reserves.

There were no material changes in accounting policies or estimation techniques introduced during the year to 31 March 2008.

3.17 Changes in Accounting Policies

Financial Instruments – FRS 25, 26 and 29

With effect from 1 April 2007 local authorities have had to adopt a major change of accounting policy in order to comply with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom – the Statement of Recommended Practice 2007 (the 2007 SORP), issued by the Chartered Institute of Public Finance and Accountancy / LASAAC Joint Committee. This has been based on major changes in international accounting standards which have resulted in the introduction of new UK accounting standards for financial instruments - FRS25, 26 and 29.

This has caused major changes in the accounting treatment of financial instruments, soft loans and guarantees. These changes have been designed to present a higher quality of information on financial instruments, in line with the private sector. In addition, in order to help identify, quantify and inform on the exposure to and management of risk, new “fair value” disclosure requirements have been introduced

Financial Instruments - Amortised Cost

This change in accounting standards has meant that most financial instruments (whether borrowing or investment) have to be valued on an amortised costs basis using the effective interest rate (EIR) method.

However, it should be noted that figures as at 31 March 2007 which appear in these disclosure notes are shown unaltered from those which were published in the accounts for 2006/07 i.e. they have not been restated to amortised cost etc. Consequently, the figures for 31 March 2007 and 31 March 2008 are not directly comparable as they have been produced on two different bases. This is a one off situation which will not occur in the accounts in future years.

Financial Instruments - Fair Value

Financial instruments are also required to be shown at fair value. Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

Guidance from CIPFA states that as fair value valuations were not calculated as at 31 March 2007 the comparative figures for fair value at that date cannot be completed and so no figures appear.

For the same reasons no figures appear under ‘Gains and losses on financial instruments’ for 2006/07.

SECTION 4

TAYSIDE FIRE AND RESCUE BOARD

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Fire and Rescue Board's Responsibilities

The Fire and Rescue Board is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For Tayside Fire and Rescue Board that officer is the Treasurer;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Board's statement of accounts in accordance with proper practices as set out in the CIPFA/LA(S)AAC Code of Practice on Local Authority Accounting in the United Kingdom ("the SORP").

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the local authority SORP.

The Treasurer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The statement of accounts presents fairly the financial position of the Board at the accounting date and its income and expenditure for the year ended 31 March 2008.

J Symon ACA
Treasurer
26 June 2008

SECTION 5

CORE FINANCIAL STATEMENTS

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

This account summarises the resources that have been generated and consumed in providing services and managing the Board during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

Previous Year Net Expenditure £000	<i>Notes</i>	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
457	Community Fire Safety	513	0	513
27,180	Fire Fighting and Rescue Operations	27,563	(180)	27,383
134	Fire Service Emergency Planning and Civil Defence	124	0	124
155	Corporate & Democratic Core	121	0	121
252	Non Distributed Costs	7	0	7
28,178	Net Cost of Services	28,328	(180)	28,148
	<i>6.3</i>			
385	Interest Payable and Similar Charges			82
(15)	Gain on Disposal of Fixed Assets			(31)
(106)	Interest and Investment Income			(64)
7,577	Pension Interest Cost and Expected Return on Pensions Asset			8,582
	<i>6.4.3</i>			
36,019	Net Operating Expenditure			36,717
	<u>Constituent Council Requisitions</u>			
(5,090)	Angus Council			(5,219)
(13,929)	Dundee City Council			(14,284)
(7,768)	Perth & Kinross Council			(7,966)
(26,787)				(27,469)
9,232	Deficit for Financial Year			9,248

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

FOR THE YEAR ENDED 31 MARCH 2008

The Income and Expenditure Account shows the Board's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Board is required to utilise funding on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.
- Retirement benefits are charged as amounts become payable to pension funds and pensioners, rather than as future benefits are earned.

The General Fund Balance compares the Board's spending against the funding that it received for the year, taking into account the use of reserves built up in the past and contributions to funds and reserves.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

2006/07		<i>Notes</i>	2007/08
£000			£000
9,232	Deficit for the Year on the Income and Expenditure Account		9,248
(9,294)	Net additional amount required by statute and non-statutory proper practices to be credited to the General Fund Balance for the year	6.1	(9,666)
(62)	Increase in the General Fund Balance for the Year		(418)
(1,356)	General Fund Balance brought forward		(1,418)
<u>(1,418)</u>	General Fund Balance carried forward	6.2	<u>(1,836)</u>

Under the transition arrangements in the 2007 SORP, the following adjustments took place to the General Fund Balance on 1 April 2007.

	£'000
General Fund Balance as at 31 March 2007	(1,418)
Transition adjustments in compliance with 2007 SORP	
- Borrowing repayable within a period in excess of 12 months (LOBO's)	(32)
Transfer to Financial Instrument Adjustment Account, per Statutory Guidance (see Statement of Total Recognised Gains & Losses, page 19)	32
Adjusted Opening General Fund Balance	(1,418)
	=====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2008

This statement brings together all the gains and losses of the Board for the year and shows the aggregate increase or decrease in its net worth. In addition to the surplus generated on the Income and Expenditure Account, it includes gains and losses relating to the revaluation of fixed assets and re-measurement of the net liability to cover the costs of retirement benefits.

2006/07		2007/08
£000		£000
9,232	Deficit for the year on the Income and Expenditure Account	9,248
(38)	Surplus arising on revaluation of fixed assets	0
(5,143)	Actuarial gains on pension fund assets and liabilities	(18,424)
(247)	Other movement as a result of actuarial adjustments to contributions made	254
	Other gains and losses required to be included within the SORP	
0	(see Statement of Movement on the General Fund Balance, page 18)	32
3,804	Total recognised (gains)/losses for the year	(8,890)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008

2006/07 £000	<i>Notes</i>	2007/08 £000
REVENUE ACTIVITIES		
<u>Cash Outflows</u>		
23,541	Cash Paid to and on behalf of Employees	23,947
3,893	Other Operating Cash Payments	3,370
27,434		27,317
<u>Cash Inflows</u>		
(1,786)	General Income	(2,030)
(27,222)	Requisitions from Constituent Councils	(27,034)
(29,008)		(29,064)
(1,574)	Net Cash Inflow From Revenue Activities	(1,747)
	<i>6.17</i>	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
<u>Cash Outflows</u>		
410	Interest Paid	144
<u>Cash Inflows</u>		
(98)	Interest Received	(73)
(1,262)		71
		(1,676)
CAPITAL ACTIVITIES		
<u>Cash Outflows</u>		
2,295	Purchase of Fixed Assets	3,502
<u>Cash Inflows</u>		
(52)	Sale of Fixed Assets	(46)
(2,123)	Capital Grants Received	(2,111)
(49)	Other Cash Capital Receipts	(10)
(1,191)	Net Cash Inflow Before Financing	1,335
		(341)
FINANCING		
<u>Cash Outflows</u>		
4,986	Repayments of Amounts Borrowed	4,342
<u>Cash Inflows</u>		
(3,350)	New Loans Raised	(3,500)
445	Decrease in Cash	842
	<i>6.18</i>	501

SECTION 6

NOTES TO THE CORE FINANCIAL STATEMENTS

6.1 Note of the Reconciling Items for the Statement of Movement on the General Fund Balance

2006/07 £000		2007/08 £000	
	Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year		
(2,000)	Depreciation and Impairment of Fixed Assets	(1,912)	
310	Government Grants Deferred Amortisation	524	
15	Gain on Sale of Fixed Assets	31	
<u>(8,822)</u>	Net Charges made for Retirement Benefits in Accordance with FRS17	<u>(10,053)</u>	
(10,497)			(11,410)
	Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year		
965	Loans Fund Principal Repayments	1,030	
<u>238</u>	Capital Expenditure charged-in-year to the General Fund Balance	<u>714</u>	
1,203			1,744
	Net additional amount required to be credited to the General Fund balance for the year		<u><u>1,744</u></u>
<u><u>(9,294)</u></u>			<u><u>(9,666)</u></u>

6.2 General Reserve

The General Reserve balance of £1.836m (31 March 2007: £1.418m) includes an earmarked portion to fund future budgetary pressures and known pension commitments, with the remainder being an uncommitted balance. The movement on the General Reserve during 2007/08 is as follows:-

31 March 2007		31 March 2008	
£000		£000	
1,356	Opening General Reserve Balance	1,418	
<u>62</u>	Surplus for Year	<u>418</u>	
1,418	General Reserve Balance as at 31 March	1,836	
	Earmarked Portion:		
582	- Pension Commutations	504	
0	- Pension Transfer Value	547	
<u>0</u>	- Future Budget Strategy	<u>562</u>	
582		1,613	
	Uncommitted Balance Remaining on General Fund as at 31 March	<u><u>223</u></u>	
<u><u>836</u></u>			

6.3 Best Value Accounting Code of Practice

The Best Value Accounting Code of Practice introduced mandatory service levels to which costs should be shown. The net expenditure for Tayside Fire and Rescue Board at mandatory service division level is shown on the face of the Income and Expenditure Account. An alternative analysis of the Net Cost of Services is offered below.

2006/07 Actual £000		2007/08 Budget £000	2007/08 Actual £000	Variance £000
22,891	Staff Costs	23,305	23,267	(38)
1,132	Property Costs	1,211	1,249	38
1,611	Supplies and Services	1,432	1,591	159
727	Transport Costs	708	705	(3)
2	Third Party Payments	1	0	(1)
1,689	Capital Charges	1,388	1,388	0
155	Corp & Democratic Core	115	121	6
252	Non Distributed Costs	8	7	(1)
28,459	Gross Expenditure	28,168	28,328	160
(281)	General Income	(245)	(180)	65
28,178	Net Cost of Services	27,923	28,148	225

The Net Cost of Services shown above is a £225k deficit (2006/07: £154k surplus). This variance is fully explained in the Explanatory Foreword.

In order to ensure the financial position of the Board is correctly stated in line with statute certain accounting adjustments are made at the end of the financial year which have an effect on the reported Net Cost of Services. These are shown on the face of the Income and Expenditure Account and the Statement of Movement in the General Fund Balance and include:

- The recognition of items that are not directly attributable to services, for example interest payable and receivable on balances, profit on sale of fixed assets and interest payable on pension scheme deficits. These costs are added to the Net Cost of Services and produce the Net Operating Expenditure of the Board.
- Recognition of funding sources from Council Requisitions against this expenditure to produce the deficit for the year on the Income and Expenditure Account in compliance with, and in the format required by the 2007 SORP.
- Within the Statement of Movement on the General Fund Balance the removal of amounts included in the Income and Expenditure Account that are required by statute to be excluded when calculating the reported financial position of the Board.
- Within the Statement of Movement on the General Fund Balance the inclusion of amounts not included in the Income and Expenditure Account which are required by statute to be included when calculating the reported financial position of the Board.

Once these adjustments have been carried out there is an actual surplus of £418k (2006/07: £62k) which has been added to the General Fund in 2007/08.

6.4 Pension Costs

Financial Reporting Standard 17 – Retirement Benefits (FRS17) requires the Board to provide clear information on the impact of its obligation to fund the retirement benefits of its staff on its financial position and performance. Notes 6.4.1 & 6.4.2 provide information on the schemes themselves, Note 6.4.3 gives information on the amounts recognised in the accounting statements and finally Notes 6.4.4 - 6.5 provide additional information on each scheme to allow users to understand the underlying economic situation of the Board.

The Pension Schemes

6.4.1 Uniformed Firefighters

The majority of uniformed staff participate in the old Firefighters Pension Scheme (“the Old Scheme”). The Old Scheme is a defined benefit scheme related to pay and service. However, the scheme is also unfunded, i.e. there are no assets built up to meet pension liabilities, and therefore the net cost of these liabilities ultimately falls upon the employer. There is no definitive evidence arising from an independent actuarial review to show that the age profile of the active membership is rising significantly. The Old Scheme was closed to new entrants on 6 April 2006.

From 6 April 2006 a New Firefighters Pension Scheme (“the New Scheme”) was established and new entrants to the service after 6 April 2006 can only participate in this scheme. The New Scheme is also a defined benefit scheme related to pay and service. The scheme is also unfunded, i.e. there are no assets built up to meet pension liabilities, and therefore the net cost of these liabilities ultimately falls upon the employer. There is no definitive evidence arising from an independent actuarial review to show that the age profile of the active membership is rising significantly.

6.4.2 Other Staff

Non-uniformed employees and Fire Control personnel are eligible to join the Local Government Pension Scheme (Tayside Superannuation Fund). This is administered by Dundee City Council and is a defined benefit scheme related to pay and service. It is a multi-employer scheme where individual employer’s share of assets and liabilities can be identified on a consistent and reasonable basis. There is no definitive evidence arising from an independent actuarial review to show that the age profile of the active membership is rising significantly.

The Local Government Pension Scheme contribution rate is based upon an independent triennial actuarial valuation. The last full triennial valuation of the Local Government Pension Scheme’s assets and liabilities was carried out during 2005/06 with an effective valuation date of 31 March 2005. This showed that the Board’s contribution rate required to be 295% for 2007/08 (2006/07: 275%) of employees’ contributions.

6.4.3 Amounts Charged to the Income and Expenditure Account

The 2007/08 transactions on the Income and Expenditure Account relating to the Local Government Pension Scheme, the Firefighters Pension Scheme and the New Firefighters Pension Scheme are as follows:-

Total		Firefighters	New	Local	Total
2006/07		Pension	Firefighters	Gov’t	2007/08
£000		Scheme	Pension	Pension	£000
		£000	£000	£000	
5,486	Current Service Cost	4,602	446	352	5,400
245	Past Service Cost	0	0	0	0
8,178	Interest Cost	8,598	38	651	9,287
(601)	Expected Return on Assets	0	0	(705)	(705)
13,308	Charged to				
	Income & Expenditure Account	13,200	484	298	13,982

Additional Information

6.4.4 Firefighters Pension Scheme

The Firefighters Pension Scheme (“the Old Scheme”) is classified as a single employer defined benefit scheme. This scheme is unfunded which means there are no assets built up to fund future liabilities. The Board determines the requisitions from constituent authorities which, together with contributions from firefighters, are required to meet the scheme’s commitments. The scheme was closed to new entrants from 6 April 2006.

The main financial assumptions at the beginning and end of the period used in preparing the valuation were as follows:-

Assumptions as at	1 April 2007 % Per Annum	31 March 2008 % Per Annum
Price Increases	3.3%	3.7%
Salary Increases	4.8%	5.2%
Pension Increases	3.3%	3.7%
Discount Rate	5.4%	6.6%

The scheme has a net pension liability of £150.5m (2006/07: £158.8m). The scheme is unfunded and therefore has no attributable assets.

Movements in Deficit During the Year

	Year to 31 March 2007 £000	Year to 31 March 2008 £000
Deficit at beginning of year	(154,805)	(158,790)
Current Service Cost	(4,904)	(4,602)
Past Service Cost	(448)	0
Transfers In	(202)	(515)
Transfers Out	3	48
Employers' Contributions	4,694	4,199
Interest Cost on Liabilities	(7,595)	(8,598)
Actuarial Gains	4,467	17,787
Pension Reserve Balance	(158,790)	(150,471)

6.4.5 New Firefighters Pension Scheme

The New Firefighters Pension Scheme ("the New Scheme") is classified as a single employer defined benefit scheme. This scheme is unfunded which means there are no assets built up to fund future liabilities. The Board determines the requisitions from constituent authorities which, together with contributions from firefighters, are required to meet the scheme's commitments. The New Scheme came into effect from 6 April 2006.

The main financial assumptions at the beginning and end of the period used in preparing the valuation were as follows:-

Assumptions as at	1 April 2007 % Per Annum	31 March 2008 % Per Annum
Price Increases	3.3%	3.7%
Salary Increases	4.8%	5.2%
Pension Increases	3.3%	3.7%
Discount Rate	5.4%	6.6%

The scheme has a net pension liability of £1.022m (2006/07: £0.289m). The scheme is unfunded and therefore has no attributable assets.

Movements in Deficit During the Year

	Year to 31 March 2007 £000	Year to 31 March 2008 £000
Deficit at beginning of year	0	(289)
Current Service Cost	(233)	(446)
Transfers In	0	(364)
Employers' Contributions	(59)	(39)
Interest Cost on Liabilities	(7)	(38)
Actuarial Gains	10	154
Pension Reserve Balance	(289)	(1,022)

6.4.6 Tayside Superannuation Fund

The Tayside Superannuation Fund ("the Fund") is classified as a multi employer defined benefit scheme. The last formal actuarial valuation for funding purposes was at 31 March 2005 and was carried out during 2005/06. Therefore the next formal valuation is due on or before 31 March 2008 and should be carried out during 2008/09. In the production of the accounts for 2007/08 the actuary has used a roll-forward approach, rebasing the results of the last full valuation and allowing for known movements in the actuarial and financial assumptions required under FRS17 since that date. The valuation for FRS17 purposes has identified the Board's share of the Fund's underlying assets and liabilities.

The main financial assumptions at the beginning and end of the period used in preparing the valuation were as follows:

Assumptions as at	1 April 2007 % per annum	31 March 2008 % per annum
Price Increases	3.3%	3.7%
Salary Increases	4.8%	5.2%
Pension Increases	3.3%	3.7%
Discount Rate	5.4%	6.6%

The Board's share of the assets in the Tayside Superannuation Scheme is valued at fair value and is shown below as at the beginning and end of the period:-

Fair Value of Board's Attributable Assets as at 1 April 2007

Assets	Long Term Return % per annum	Fund Value at 1 April 2007 £000	% of Total Assets	Expected Return per annum £000
Equities	7.2%	7,355	72.0%	530
Gilts	4.4%	1,093	10.7%	48
Bonds	5.4%	420	4.1%	23
Property	6.7%	1,112	10.9%	75
Cash	5.0%	232	2.3%	12
Total		10,212	100.0%	688

Fair Value of Board's Attributable Assets as at 31 March 2008

Assets	Long Term Return % per annum	Fund Value at 31 March 2008 £000	% of Total Assets	Expected Return per annum £000
Equities	7.6%	7,060	68.7%	536
Gilts	4.3%	1,307	12.7%	56
Bonds	6.6%	500	4.9%	33
Property	7.1%	1,117	10.9%	79
Cash	5.0%	286	2.8%	14
Total		10,270	100.0%	718

Present Value of Scheme Liabilities

Net Pension Assets/(Liabilities) as at	31 March 2007 £000	31 March 2008 £000
Estimated Tayside Fire and Rescue Board Assets	10,212	10,270
Present Value of Scheme Liabilities	(11,702)	(11,236)
Present Value of Unfunded Liabilities	(77)	(69)
Total Value of Liabilities	(11,779)	(11,305)
Net Pension Liabilities	(1,567)	(1,035)

The Board has net pension liabilities in respect of the Fund of £1.035m (2006/07: £1.567m net liability).

Movement in Deficit During the Year

	Year to 31 Mar 2007 £000	Year to 31 Mar 2008 £000
Deficit at beginning of year	(2,409)	(1,567)
Current Service Cost	(349)	(352)
Past Service Costs	203	0
Employer Contributions	298	347
Interest on Scheme Liabilities	(576)	(651)
Expected Return on Assets	601	705
Actuarial Gains	665	483
Deficit at end of year	(1,567)	(1,035)

6.5 Defined Benefit Pension Schemes

i) Firefighters Pension Scheme

	2007/08		2006/07		2005/06		2004/05	
	£000	%	£000	%	£000	%	£000	%
Difference between the expected and actual return on assets.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Experience gains and losses arising on the scheme liabilities	0	0.0%	0	0.0%	201	0.1%	5,700	4.0%
Changes in the demographic and financial assumptions underlying present value of scheme liabilities	17,787	11.8%	4,467	2.8%	(10,013)	(6.5)%	(4,900)	(3.6)%

ii) New Firefighters Pension Scheme

The New Firefighters Pension Scheme was established on 6 April 2006 and therefore has no historic data prior to that date.

	2007/08		2006/07		2005/06		2004/05	
	£000	%	£000	%	£000	%	£000	%
Difference between the expected and actual return on assets	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Experience gains and losses arising on the scheme liabilities	0	0.0%	0	0.0%	n/a	n/a	n/a	n/a
Changes in the demographic and financial assumptions underlying present value of scheme liabilities	154	15.1%	10	3.6%	n/a	n/a	n/a	n/a

iii) Local Government Pension Scheme

	2007/08		2006/07		2005/06		2004/05	
	£000	%	£000	%	£000	%	£000	%
Difference between the expected and actual return on assets	(1,215)	(11.8)%	194	1.9%	1,562	17.0%	352	5.0%
Experience gains and losses arising on the scheme liabilities	0	0.0	0	0.0%	136	1.2%	0	0.0%
Changes in the demographic and financial assumptions underlying present value of scheme liabilities	1,698	15.0%	471	4.0%	(1,379)	(11.9)%	(425)	(4.3)%

6.6 Leases

i) Finance Leases

The Board has no finance leases.

ii) Operating Leases

The Board holds a number of vehicles under operating lease arrangements. Rental payments of £125,000 (2006/07: £109,000) were made in respect of these during 2007/08, with an undischarged liability of £205,000 (2006/07: £200,000) still remaining at 31 March 2008.

The Board is committed at 31 March 2008 to make payments of £108,000 (31 March 2007: £100,000) under operating leases during 2008/09 as follows:

	Vehicles £000
Leases expiring within one year	15
Leases expiring between two and five years	93
Total Operating Lease Commitments 2007/08	<u>108</u>

iii) Other Leases

There are no other leases and no leases for which the Board act as lessors.

6.7 Government Grants

The Board did not receive any Government revenue grants in 2007/08 (2006/07: £0).

During 2007/08 the Board received £1.915m (2006/07: £1.825m) capital grant funding from the Scottish Government. This was used to finance the Board's capital expenditure programme.

6.8 Publicity Account

Section 5(1) of the Local Government Act 1986 requires Local Authorities to keep a separate account of expenditure on publicity. Publicity expenditure was incurred as follows:-

2006/07		2007/08
£000		£000
31	Recruitment Advertising	12
9	Other Advertising	0
40		12

6.9 Members' Allowances

The Fire and Rescue Board did not pay any allowances directly to Board members for services provided by them to the Board during 2007/08 (2006/07: £nil). These costs and allowances are borne by the individual constituent councils in which the members serve.

6.10 Officers' Remuneration

The number of employees whose remuneration was £50,000 or more in bands of £10,000 were:-

Remuneration Band	Remuneration	Remuneration
£	Number of Employees	Number of Employees
	2006/07	2007/08
50,000 - 59,999	7	11
60,000 - 69,999	5	4
70,000 - 79,999	3	0
80,000 - 89,999	1	2
90,000 - 99,999	0	0
100,000 - 109,999	0	1
110,000 - 119,999	1	0

6.11 External Audit Fees

The fee payable to Audit Scotland for external audit services undertaken during 2007/08 was split as follows:

- Statutory fee charged in accordance with the Code of Audit Practice £26k (2006/07: £25k).
- No other additional work was undertaken during the year (2006/07: £0).

6.12 Local Authority (Goods and Services) Act 1970

Certain support and agency services are supplied by other public bodies and the Board reimburses these bodies for their services. The expenditure incurred as a result of these services being supplied was as follows:-

	2006/07	2007/08
	£000	£000
<u>Dundee City Council</u>		
Provision of Insurance & Risk Management Administration Services		
Provision of Payroll Services	8	9
Provision of Pension Administration Services	32	32
	16	14
<u>Perth and Kinross Council</u>		
Convener's Fee	0	6
Treasurer's Fee	6	6
Secretarial and Clerking Fee	24	27
Provision of Internal Audit Services	8	15
Provision of Banking Services	3	3
Provision of Treasury Management Services	9	9
Provision of Legal Services	8	7
Provision of Services relating to Single Status	5	4
<u>Tayside Police Joint Board</u>		
Provision of Radio and Communication Maintenance Services	87	91
Total Expenditure	206	223

The Board does not currently supply goods or services to other public bodies; therefore there is no income arising from the provision of goods or services to other public bodies as empowered by the Local Authority (Goods and Services) Act 1970.

6.13 Fixed Assets

i) Information on Assets Held

As at 31 March 2008 the Board owned 24 Fire Stations and also owned computer, office and firefighting equipment, office furniture and vehicles which are included in the Balance Sheet. The Board's level of capital expenditure is controlled by The Prudential Code for Capital in Local Authorities ("the Code") which is enshrined within Part 7 of the Local Government in Scotland Act 2003. The Code means that the Board no longer requires government permission to borrow but can set its own borrowing limit. In practice the Capital Expenditure Plan for the Board was contained within the limits of the Scottish Government capital grant allocation for 2007/08.

ii) Fixed Asset Statement

	LAND & BUILDINGS £000	VEHICLES & EQUIPMENT £000	ASSETS UNDER CONSTRU CTION £000	TOTAL £000
Gross Book Value at 1 April 2007	20,865	10,814	370	32,049
Transfers	6	941	(947)	0
Expenditure at cost	925	609	1,353	2,887
Disposals	0	(703)	0	(703)
Revaluation and Restatement	0	0	0	0
Gross Book Value at 31 March 2008	21,796	11,661	776	34,233
Depreciation at 1 April 2007	3,550	5,791	0	9,341
Depreciation Charge for the year	1,009	903	0	1,912
Depreciation write back on disposals	0	(688)	0	(688)
Depreciation at 31 March 2008	4,559	6,006	0	10,565
Net Book Value at 31 March 2008	17,237	5,655	776	23,668
Net Book Value at 31 March 2007	17,315	5,023	370	22,708
Capital Expenditure in Year Financed by:				
Capital Grant	764	253	1,110	2,127
Capital Receipts	0	46	0	46
Capital Exp financed from Revenue	161	310	243	714
Total Financing	925	609	1,353	2,887

iii) Valuation of the Board's Assets

With the exception of the new training facilities in Perth and Arbroath all of the Board's land and properties were revalued during the year April 2003 to March 2004 on a depreciated replacement cost basis by staff at Lickley Proctor (Chartered Surveyors) and this was overseen by the FRICS qualified senior partner of that company. The effective date of these valuations was 31 March 2004 and they were carried out in accordance with the CIPFA Code of Practice on Local Accounting in the UK and the RICS Red Book.

The Board is not aware of any material change in the values of land, property, vehicles, plant or equipment during 2007/08 and therefore the values of the assets have not been revalued or re-stated. The assets require to be revalued every 5 years. Therefore, the next complete revaluation requires to be undertaken on or before 31 March 2009.

Depreciated replacement cost is defined as "an estimate of the market value for the existing use of the land, plus the current gross replacement (or reproduction) costs of improvement, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation, subject to the test of adequate service potential." All of these factors might result in the existing property being worth less to the organisation in occupation than would a new replacement.

Vehicles and equipment have been included in the balance sheet at the lower of net current replacement cost or net realisable value in existing use.

iv) Capital Commitments

At 31 March 2008 the Board had outstanding capital commitments of £nil (2006/07: £257,000).

6.14 Movements on Reserves in the Year

The Board keeps a number of reserves in the Balance Sheet. Some require to be held for statutory reasons, whilst others are needed to comply with proper accounting practice. Details of the movement on each reserve (excluding the General Fund which is shown separately under Note 6.2) are shown below.

i) Revaluation Reserve

This reserve was established on 1 April 2007 to account for the gains on the revaluation of fixed assets not yet realised through sale.

2006/07		2007/08
£000		£000
n/a	Opening Balance	0
n/a	Revaluation and Restatements	0
n/a	Closing Balance	0

ii) Capital Adjustment Account

This reserve was established on 1 April 2007 by combining the Fixed Asset Revaluation Account and Capital Financing Account on that date. The resultant Capital Adjustment Account is used to account for capital resources set aside to meet past expenditure.

2006/07		2007/08
£000		£000
n/a	Opening Balance	8,308
n/a	Loan Principal Repaid	1,030
n/a	Depreciation for the Year	(1,912)
n/a	Amortisation of Government Grants Deferred	524
n/a	Gain on Sale of Assets	31
n/a	Capital Expenditure Financed From Revenue	714
n/a	Asset Impairment	0
n/a	Closing Balance	8,695

iii) Capital Receipts Reserve

This reserve was established to comply with local authority capital accounting rules and represents the capital receipts available to finance capital expenditure in future years after setting aside amounts for the repayment of existing loans.

2006/07		2007/08
£000		£000
0	Opening Balance	0
52	Capital Receipts	46
0	Receipts set aside for repayment of existing debt	0
(52)	Transfer of balance to Capital Adjustment Account	(46)
0	Closing Balance	0

iv) Financial Instruments Adjustment Account

This reserve was established on 1 April 2007 to comply with statute and allows for differences in statutory requirements and proper accounting practices for borrowings and investments.

2006/07		2007/08
£000		£000
n/a	Opening Balance	0
n/a	Adjustment to Restate Debt at Amortised Cost	(33)
n/a	Amortisation of Debt in Year	0
n/a	Closing Balance	(33)

v) Pensions Reserve

This reserve was established to comply with statute and allows the Pensions Liability to be included in the Balance Sheet.

2006/07		2007/08	
£000		£000	
(157,214)	Opening Balance	(160,646)	
(8,822)	Appropriation to Revenue	(10,053)	
247	Employer's Contribution Adjustment	(253)	
5,143	Actuarial Gain/(Loss) Relating to Pensions	18,424	
(160,646)	Closing Balance	(152,528)	

6.15 Euro

The Board is required to disclose certain information in connection with the possible entry to the European Single Currency. As at 31 March 2008 no commitments in respect of costs associated with the Euro had been made, no exceptional expenditure had been incurred and it was not possible to forecast the total costs likely to be incurred.

6.16 Sundry Debtors and Sundry Creditors

Sundry Debtors can be analysed as follows:-

2006/07		2007/08	
£000		£000	
1,128	Trade Debtors	712	
874	Payroll Debtors	1,292	
79	Other Debtors	16	
2,081	Total Sundry Debtors	2,020	

Sundry Creditors can be analysed as follows:-

2006/07		2007/08	
£000		£000	
1,917	Trade Creditors	1,136	
1,484	Payroll Creditors	1,527	
461	Other Creditors	52	
3,862	Total Sundry Creditors	2,715	

6.17 Reconciliation of Income and Expenditure Account Balance to Cash Inflow from Revenue Activities

2006/07 £000		£000	2007/08 £000
(9,232)	Deficit on Income and Expenditure Account for Year		(9,248)
10,497	Amounts included in Income and Expenditure Account but required by statute to be excluded when determining the movement on the General Fund balance for the year (Note 6.1)	11,410	
(1,203)	Amounts not included in Income and Expenditure Account but required to be included by statute when determining the movement on the General Fund balance for the year (Note 6.1)	<u>(1,744)</u>	9,666
<u>62</u>	Increase in General Fund Balance		<u>418</u>
948	Decrease in Revenue Creditors and Provisions	(483)	
(3)	Increase in Stocks	(15)	
(948)	Decrease in Revenue Debtors	<u>57</u>	(441)
410	Interest Paid	144	
965	Principal Repaid	1,030	
(98)	Interest Received	(73)	
238	Capital Expenditure Financed from Revenue	<u>669</u>	<u>1,770</u>
<u>1,574</u>	Net Cash Inflow from Revenue Activities		<u>1,747</u>

6.18 Decrease in Cash during the Year

	Balance At 31/03/06 £000	Balance at 31/03/07 £000	Movement £000	Balance at 31/03/07 £000	Balance at 31/03/08 £000	Movement £000
Cash in Hand	0	0	0	0	0	0
Bank Accounts	1,255	810	(445)	810	309	(501)
	<u>1,255</u>	<u>810</u>	<u>(445)</u>	<u>810</u>	<u>309</u>	<u>(501)</u>

6.19 2006/07 Comparative Figures

The Balance Sheet figures for 31 March 2007 have been adjusted from those included in the Statement of Accounts for 2006/07 to accommodate the implementation of the Revaluation Reserve which replaces the Fixed Asset Restatement Account (FARA). The credit balance of £12.925m on the FARA at 31 March 2007 has been written off to the Capital Financing Account (£4.617m debit balance) to form the Capital Adjustment Account with a net credit balance of £8.308m. The Revaluation Reserve has then been included in the Balance Sheet with a zero opening balance. The closing position on the Reserve at 31 March 2008 therefore only shows revaluation gains accumulated since 1 April 2007.

In addition the 2007 SORP requires the Board to comply with the accounting treatment included in FRS25, 26 and 29 on Financial Instruments. These requirements took effect from 31 March 2007 and there is no direct comparison between the figures contained in the 2006/07 annual accounts and those brought forward to the 2007/08 annual accounts. Therefore there are no comparative figures for either the Financial Instruments Adjustments Account or for Note 6.21 – Financial Instruments, except where FRS25, 26 and 29 allow figures to continue to be accounted for on a like-for-like basis.

6.20 Contingent Liabilities – Firefighters’ Pension Lump Sum Payments

Communities and Local Government issued Firefighters’ Pension Scheme Circular FPSC 5/2008 on 21 May 2008. This circular notifies pension scheme administrators of revised pension commutation factors introduced by the Government Actuary for the purpose of calculating lump sums payable to persons who commute part of their firefighter pension under Rule B7 of the Firefighters’ Pension Scheme 1992. These changes are to come into place with immediate effect and are to be backdated to cover all pensions commencing on or after 1 October 2007.

In the main these changes benefit the retiree and will have significant cost implications for the unfunded pension scheme. HM Treasury have agreed to underwrite these changes in England and Wales. However, no announcement has been made regarding the funding arrangements in Scotland and therefore the Scottish Public Pensions Agency (SPPA) has delayed adoption of the Circular whilst these discussions take place. It is likely that the SPPA will adopt these changes in due course once funding arrangements have been agreed.

The Board had nine pensions commencing between 1 October 2007 and 31 March 2008. Although these were settled at the correct amount under the regulations in place at the time, the amendments to the method of calculation brought in by FPSC 5/2008 on 21 May 2008 and backdated to 1 October 2007 will increase the cost to the Board by a further £164,000. However, as intimated above, the Circular has not yet been implemented in Scotland and the source of funding of this charge is uncertain. The potential additional costs therefore represents a contingent liability at the date of preparing these financial statements.

6.21 Types of Financial Instruments

Accounting regulations require the investments, lending and borrowing of the Board shown on the Balance Sheet to be further analysed into various defined categories. The investments, lending & borrowing disclosed in the Balance Sheet are made up of the following categories of financial instruments.

FINANCIAL INSTRUMENT BALANCES

	Long-Term		Current	
	31 March 2008 £000	31 March 2007 £000	31 March 2008 £000	31 March 2007 £000
Borrowings				
Financial liabilities at amortised cost	5,968	0	349	0
Total borrowings	5,968	5,630	349	2,160
Investments				
Loans and receivables	0	0	578	0
Total investments	0	0	578	1,742

Notes:

1. Since the balances at 31 March 2007 are not reclassified into the categories defined in the 2007 SORP only the total borrowing and investment figures are shown in the table above (refer to para 3.17).
2. LOBOs (Lender Option, Borrower Option Loans) of £1.536m have been included in long term borrowing but have a call date in the next 12 months.

3. The above figures for long term investments and borrowing are based on the effective interest rate method (EIR) method of calculation. This assumes that in undertaking measurement the maturity period for the LOBO should be taken as being the contractual period to maturity.

GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

The gains and losses recognised in the Income and Expenditure Account and Statement of Total Recognisable Gains and Losses in relation to financial instruments are made up as follows:

FINANCIAL INSTRUMENTS GAINS/LOSSES

2007/08	Financial Liabilities		Financial Assets		Total £000
	Liabilities measured at amortised cost £000	Loans and receivables £000	Available- for-sale assets £000	Fair value through I&E £000	
Interest expenses	292	0	0	0	292
Losses on derecognition	85	0	0	0	85
Interest payable and similar charges	377	0	0	0	377
Interest income	0	(64)	0	0	(64)
Gains on derecognition	(295)	0	0	0	(295)
Interest and investment income	(295)	(64)	0	0	(359)
Net gain/(loss) for the year	82	(64)	0	0	18

Comparable figures are not available for 2006/07 due to the change in accounting standards.

FAIR VALUE OF ASSETS AND LIABILITIES CARRIED AT AMORTISED COST

The fair value of each class of financial assets and liabilities which are carried in the Balance Sheet at amortised cost is disclosed below. Fair values as at 31 March 2007 have not been calculated.

Methods and Assumptions in valuation technique

The fair value of an instrument is determined by calculating the Net Present Value (NPV) of future cash flows, which provides an estimate of the value of future payments in current day terms.

The discount rate used in the NPV calculation is the rate applicable in the market on the date of valuation for an instrument with the same structure, terms and remaining duration. For debt, this will be the new borrowing rate since premature repayment rates include a margin which represents the lender's profit as a result of rescheduling the loan; this is not included in the fair value calculation since any motivation other than securing a fair price should be ignored.

The rates quoted in this valuation were obtained by treasury management consultants SECTOR from the market on 31st March 2008, using bid prices where applicable.

The calculations are made with the following assumptions:

- For Public Works Loan Board (PWLB) debt, the discount rate used is the rate for new borrowing as per rate sheet number 064/08.
- For other market debt and investments the discount rate used is the rate available for an instrument with the same terms from a comparable lender.
- Interpolation techniques have been used between available rates where the exact maturity period was not available.
- No early repayment or impairment is recognised.
- Fair values have been calculated for all instruments in the portfolio, but only those which are materially different from the carrying value have been disclosed.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values are calculated as follows:

FAIR VALUE OF LIABILITIES CARRIED AT AMORTISED COST

	31 March 2008		31 March 2007	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
PWLB - maturity	4,432	4,459	4,750	n/a
LOBOs	1,536	1,717	1,500	n/a
Other borrowing	81	81	609	n/a
Bank overdraft	268	268	931	n/a
Financial liabilities	6,317	6,525	7,790	n/a

NOTE

Fair value is more than the carrying amount because the Board's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date.

FAIR VALUE OF ASSETS CARRIED AT AMORTISED COST

	31 March 2008		31 March 2007	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Cash	578	578	1,742	n/a
Financial assets	578	578	1,742	n/a

The fair value is the same as the carrying amount because the Board's investments relate only to cash deposited with Perth & Kinross Council on a short-term basis.

NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The management of treasury risks actively works to minimise the Board's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Board, through a Service Level Agreement, has effectively adopted Perth & Kinross Council's Treasury Management Practices, which include written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

1. Credit Risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities as well as credit exposures to the Board's customers. As the Board do not currently have sufficient cash balances to consider fixed term deposits, it is the current policy of the Board to place cash deposits only with Perth & Kinross Council.

The following analysis summarises the Board's potential maximum exposure to credit risk, based on past experience and current market conditions. The Board expects full repayment on the due date of all amounts due from its counterparties.

CREDIT RISK (A)

	Amounts at 31 March 2008	Historical experience of default	Historical experience adjusted for market conditions as at 31 March 2008	Estimated maximum exposure to default and uncollectability
	£000	%	%	£000
Deposit with Perth & Kinross Council	578	0	0	0
Sundry Debtors	1,124	0	0	0
Total	1,702			0

Debtors

The debtors figure disclosed here differs from that disclosed on the Balance Sheet and in Note 6.16 because the debtors reported there also includes prepaid expenditure relating to future years. The debtors figure reported in this table only relates to physical amounts owing to the Board at 31 March 2008 and the likelihood of these not being received.

The Board does not generally allow credit for customers, such that all of the £1.124m sundry debtors balance is past its due date for payment. The past due amount can be analysed by age as shown below:

CREDIT RISK (B)

	31 March 2008 £000
Less than three months	1,105
Three to six months	0
Six months to one year	12
More than one year	7
Total	1,124

2. Liquidity Risk

The Board has access to a facility to borrow from the Public Work Loans Board. As a result there is no significant risk that the Board will be unable to raise finance to meet its commitments under financial instruments. The Board has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the medium to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. With capital expenditure of the Board now being financed by capital grants, the Board's policy is to gradually reduce its long-term debt in line with the remaining useful life of the assets financed by such borrowing.

The maturity structure of financial liabilities is as follows (at nominal value):

LIQUIDITY RISK

On 31 March 2007 £000	Loans outstanding	On 31 March 2008 £000
4,750	Public Work Loans Board	4,400
1,500	Market Debt	1,500
609	Other Debt	81
931	Bank Overdraft	268
7,790	Total	6,249
2,159	Less than 1 year	349
183	Between 1 and 2 years	0
198	Between 2 and 5 years	1,000
0	Between 5 and 10 years	0
0	Between 10 and 15 years	0
5,250	More than 15 years	4,900
7,790	Total	6,249

In the More than 15 years category there is a £1.5m LOBO which has a call date within the next 12 months.

3. Market Risk

Interest rate risk

The Board is exposed to interest rate risk in two different ways; the first being the uncertainty of interest paid/received on variable rate instruments, and the second being the affect of fluctuations in interest rates on the fair value of an instrument.

The current interest rate risk for the Board is summarised below:

- Decreases in interest rates will affect interest earned on variable rate investments, potentially reducing income credited to the Income and Expenditure Account.
- Increases in interest rates will affect interest paid on variable rate borrowings, potentially increasing interest expense charged to the Income and Expenditure Account.
- The fair value of fixed rate financial assets will fall if interest rates rise. This will not impact on the Balance Sheet for the majority of assets held at amortised cost, but will impact on the disclosure note for fair value. It would have a negative effect on the Balance Sheet for those assets held at fair value in the Balance Sheet, which would also be reflected in the Statement of Total Recognised Gains and Losses. The Board do not currently hold any assets under this category.
- The fair value of fixed rate financial liabilities will rise if interest rates fall. This will not impact on the Balance Sheet for the majority of liabilities held at amortised cost, but will impact on the disclosure note for fair value.

The Board has a number of strategies for managing interest rate risk in line with its Treasury agreement with Perth & Kinross Council. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The Council's treasury management team has an active strategy for assessing interest rate exposure on behalf of the Board that feeds into the setting of the annual budget and which is used to update the budget quarterly

during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2008, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

INTEREST RATE RISK

	£000
Increase in interest payable on variable rate borrowings	15
Increase in interest receivable on variable rate investments	-16
Increase in government grant receivable for financing costs	<u>0</u>
Impact on Income and Expenditure Account	<u>-1</u>

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

4. Foreign Exchange Risk

The Board has no financial assets or liabilities denominated in foreign currencies and thus have no exposure to loss arising from movements in exchange rates.

6.22 Date of Signing of Balance Sheet and Post-Balance Sheet Events

The Treasurer, being the officer responsible for the Board's financial affairs, signed the unaudited Statement of Accounts on 26 June 2008 and the audited accounts on 27 August 2008.

No events occurred between the date of the Balance Sheet (31 March 2008) and the date the Treasurer signed the accounts that would have had an impact on the 2007/08 Statement of Accounts.

SECTION 7

TAYSIDE FIRE AND RESCUE BOARD

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

- 1 This statement is given in respect of the Statement of Accounts for Tayside Fire and Rescue Board. I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources of the Board.
- 2 The system of internal financial control can provide only reasonable assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.
- 3 The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Managers within the Board undertake development and maintenance of the system. In particular, the system includes:
 - Comprehensive budgeting systems;
 - Regular reviews of periodic and annual financial reports that indicate financial performance against forecasts;
 - Setting targets to measure financial and other performance;
 - The preparation of regular financial reports that indicate actual expenditure against forecasts;
 - Clearly defined capital expenditure guidelines; and
 - As appropriate, formal project management disciplines.
- 4 A key financial control is the existence of an internal audit service. The Board, through a Service Level Agreement, utilises the services of Perth and Kinross Council's internal audit section who work to defined standards which are governed by their own Code of Practice. The Chief Internal Auditor carries out independent reviews and submits them to the Performance Monitoring Sub-Committee of Tayside Fire and Rescue Board. In the Chief Internal Auditor's opinion, and on the basis of the audit work completed for 2007/08, reasonable reliance can be placed on the Board's system of overall internal control.
- 5 My review of the effectiveness of the system of internal financial control is informed by:
 - The work of managers within the Board;
 - The work of internal auditors as described in 4 above; and
 - External auditors in their annual audit letter and other reports.
- 6 Currently no material weaknesses that require to be addressed have been identified; however, any recommendations made by both internal and external audit as a result of audits carried out in 2007/08 will be implemented under the normal business of the Board.

J Symon ACA
Treasurer
26 June 2008

SECTION 8

Independent auditors' report to the members of Tayside Fire and Rescue Board and the Accounts Commission for Scotland

We certify that we have audited the financial statements of the Tayside Fire and Rescue Board for the year ended 31 March 2008 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Income & Expenditure Account, Statement of Movement on the General Fund Balance, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement, the related notes and the Statement of Accounting Policies. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the parties to whom it is addressed in accordance with the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Accounts Commission of Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Treasurer and Auditors

The Treasurer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2007 - A Statement of Recommended Practice (the 2007 SORP) are set out in the Statement of Responsibilities for the Statement of Accounts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission.

We report our opinion as to whether the financial statements present fairly, in accordance with relevant legal and regulatory requirements and the 2007 SORP the financial position of the Board and its income and expenditure for the year, and have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

We also report to you if, in our opinion, the Board has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We review whether the Statement on the System of Internal Financial Control reflects the Board's compliance with the SORP, and we report if, in our opinion, it does not. We are not required to consider whether the statement covers all risk and controls, or form an opinion on the effectiveness of the Board's corporate governance procedures or its risk and control procedures.

We read the other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only Members and Officials 2007/08, the Explanatory Foreword and Performance Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with Part VII of the Local Government (Scotland) Act 1973 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Accounts Commission. Our audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Treasurer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- present fairly, in accordance with relevant legal and regulatory requirements and the 2007 SORP, the financial position of Tayside Fire and Rescue Board as at 31 March 2008 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

Henderson Loggie
Chartered Accountants
Royal Exchange
Panmure Street
Dundee
DD1 1DZ

Date
27 August 2008

SECTION 9
TAYSIDE FIRE AND RESCUE BOARD
ACCOUNTS COMMISSION
PUBLICATION OF PERFORMANCE INFORMATION FOR 2007/08

Comparative figures for 2006/07 are shown in brackets.

Community Fire Safety:

- (i) The number of incidents resulting in casualties per 10,000 population: 2.5 (2.2)
- (ii) The number of fatal and non-fatal casualties per 10,000 population: 3.1 (3.0)
- (iii) The number of accidental dwelling fires per 10,000 population: 11.6 (11.8)

Sickness Absence: The percentage of rider shifts lost during the year due to:

Sickness	4.1% (7.1%)
Light duties	0.4% (1.0%)

The percentage of working time lost to sickness for all other staff directly employed by the Board

Due to sickness	5.4% (5.7%)
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Call Response Time: The percentage of calls to incidents handled within the following time periods

Handled within one minute	52.6% (54.8%)
Handled in less than 2 minutes	85.9% (90.8%)