



Management Accounts for the period ending 28th February 2017



HUMBERSIDE
Fire & Rescue Service

Safer Communities Safer Firefighters

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Key To Traffic Light System

The elements of the Traffic Light system being used in the report to highlight significant outturn variances / issues are as follows:-

1. **Status Column** - indicates, using a colour reference whether an issue is:-

Red **Potentially detrimental** to the finances of the Authority

Green **In line with budget or potentially advantageous** to the finances of the Authority.

2. **Direction Column** - this indicates the relative movement in the projected outturn position compared to the previous month as follows:-

Red A detrimental change.

Amber No change.

Green An advantageous change.

Possible Combinations

		Status	
		Red	Green
D I R E C T I O N	Red	✓	✓
	Amber	✓	✓
	Green	✓	✓

The combinations shaded are those that give the most concern from a financial perspective i.e. Status = Red and Direction = Red, Amber or Green.

HUMBERSIDE FIRE & RESCUE SERVICE
COMMENTARY ON THE MANAGEMENT ACCOUNTS
For the period 1 April 2016 to 28 February 2017

The following statements represent a summary of the financial activity of the Service for the period stated above.

Each statement is accompanied with notes, referenced to specific lines on that statement where significant variances have been forecasted or where further explanation of information shown is necessary.

Revenue Statements

These statements show the actual and committed revenue expenditure, in summary subjective heading format (Table 1) and broken down by objective headings (Table 2), as at 28 February 2017 compared to the profiled 2016/17 budget for the same period. The report also shows the forecasted outturn for the full year based on current levels of income and expenditure and any known variations to the end of the financial year.

Table 1

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING SUMMARY STATEMENT 2016/17
1 April 2016 to 28 February 2017 (Period 11)

	Original Budget £'000	Revised Budget £'000	28 February 2017		Full Year		Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance £'000 %	Status	Direction	
Employees									
Wholtime	22,573	22,978	21,072	20,980	22,978	-	-	Green	Amber
Retained	3,843	3,943	3,317	3,479	3,978	35	0.89	Red	Green 1
Support	5,824	5,774	5,337	4,637	5,299	(475)	(8.23)	Green	Green 2
Other Employee Expenses (Training, Occ Health, Insurance)	1,507	1,541	1,295	1,345	1,586	45	2.92	Red	Green 3
Total Pay & Pensions	33,747	34,236	31,021	30,441	33,841	(395)	(1.15)		
Premises	2,032	2,002	1,912	1,645	1,894	(108)	(5.39)	Green	Amber 4
Transport	1,956	1,856	1,810	1,794	1,816	(40)	(2.16)	Green	Red 5
Supplies & Services	2,585	2,825	2,370	2,655	2,801	(24)	(0.85)	Green	Red 6
Support Services	231	231	180	140	231	-	-	Green	Amber
Transfer of East Coast Grant	-	-	-	2,468	2,468	2,468	100.00	Red	Red 11
Total Expenditure	40,551	41,150	37,293	39,143	43,051	1,901	4.62		
Income	(451)	(960)	(414)	(2,034)	(1,585)	(625)	65.10	Green	Amber 7
Recognition of East Coast Grant	-	-	-	(1,851)	(1,851)	(1,851)	100.00	Green	Green 11
Net Expenditure (Ex Capital Charges)	40,100	40,190	36,879	35,258	39,615	(575)	(1.43)		
Interest Payable	669	669	328	430	669	-	-	Green	Amber
Interest Receivable	(80)	(80)	(73)	(60)	(68)	12	(15.00)	Red	Red 8
Contingency	150	60	-	-	-	(60)	(100.00)	Green	Red 9
Accounting Adjustments	2,733	2,733	-	111	2,866	133	4.87	Red	Amber 10
Contributions to / (from) Reserves	288	288	-	(721)	(329)	(617)	(214.24)	Green	Green 11
Net Budget Requirement	43,860	43,860	37,134	35,018	42,753	(1,107)	(2.52)	Green	Red
Financed By									
Business Rates	(3,568)	(3,568)	(3,274)	(3,274)	(3,568)	-	-		
National Non Domestic Rates	(19,472)	(19,472)	(18,127)	(18,127)	(19,472)	-	-		
Precepts	(20,820)	(20,820)	(19,138)	(19,138)	(20,820)	-	-		
	-	-	(3,405)	(5,521)	(1,107)	(1,107)	-		

Table 2

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2016/17
1 April 2016 to 28 February 2017 (Period 11)

	Original Budget £'000	Revised Budget £'000	28 February 2017		Projection £'000	Full Year		Traffic Light		Note
			Profile £'000	Actual & Committed £'000		Variance		Status	Direction	
						£'000	%			
Community Fire Safety Expenditure										
Employees										
Wholetime	1,102	1,127	1,010	984	1,127	-	-	Green	Amber	
Retained	78	78	71	10	13	(65)	(83.33)	Green	Green	1
Support	1,809	1,809	1,658	1,605	1,759	(50)	(2.76)	Green	Amber	2
Indirect Employees	47	47	44	16	17	(30)	(63.83)	Green	Green	3
Premises	-	5	5	3	5	-	-	Green	Amber	
Transport	3	3	3	3	3	-	-	Green	Amber	
Supplies and Services	245	245	225	156	185	(60)	(24.49)	Green	Amber	6
Total Expenditure	3,284	3,314	3,016	2,777	3,109	(205)	(6.19)			
Income	(65)	(95)	(60)	(288)	(135)	(40)	42.11	Green	Amber	7
Net Expenditure	3,219	3,219	2,956	2,489	2,974	(245)	(7.61)			
Fire Fighting & Rescue Operations Expenditure										
Employees										
Wholetime	17,904	17,904	16,412	16,224	17,904	-	-	Green	Amber	
Control	1,120	1,120	1,027	1,000	1,120	-	-	Green	Amber	
Retained	3,765	3,865	3,246	3,469	3,965	100	2.59	Red	Amber	1
Support	123	123	112	102	123	-	-	Green	Amber	
Indirect Employees	19	19	18	15	19	-	-	Green	Amber	
Premises	1,318	1,293	1,231	1,109	1,185	(108)	(8.35)	Green	Amber	4
Transport	1	1	1	-	1	-	-	Green	Amber	
Supplies and Services	766	766	702	714	766	-	-	Green	Amber	
Transfer of East Coast Grant	-	-	-	2,468	2,468	2,468	100.00	Red	Red	11
Total Expenditure	25,016	25,091	22,749	25,101	27,551	2,460	9.80			
Income	(317)	(417)	(291)	(1,276)	(712)	(295)	70.74	Green	Amber	7
Recognition of East Coast Grant	-	-	-	(1,851)	(1,851)	(1,851)	100.00	Green	Green	11
Net Expenditure	24,699	24,674	22,458	21,974	24,988	314	1.27			
Management & Support Services Expenditure										
Employees										
Wholetime	2,447	2,827	2,623	2,772	2,827	-	-	Green	Amber	
Support	3,892	3,842	3,567	2,930	3,417	(425)	(11.06)	Green	Green	2
Other Pension Costs	604	603	446	450	628	25	4.15	Red	Green	3
Indirect Employees	605	605	555	597	655	50	8.26	Red	Red	3
Employee Related Insurances	232	267	232	267	267	-	-	Green	Amber	
Premises	714	704	676	533	704	-	-	Green	Amber	
Transport	1,948	1,848	1,802	1,787	1,808	(40)	(2.16)	Green	Red	5
Supplies and Services	1,378	1,618	1,263	1,647	1,654	36	2.22	Red	Red	6
Support Services	226	226	175	137	226	-	-	Green	Amber	
Contingency	150	60	-	-	-	(60)	(100.00)	Green	Red	9
Total Expenditure	12,196	12,600	11,339	11,120	12,186	(414)	(3.29)			
Income	(69)	(448)	(63)	(470)	(738)	(290)	64.73	Green	Amber	7
Net Expenditure	12,127	12,152	11,276	10,650	11,448	(704)	(5.79)			

Cont...

Table 2 Cont...

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2016/17
 1 April 2016 to 28 February 2017 (Period 11)

	Original Budget £'000	Revised Budget £'000	28 February 2017		Full Year			Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance £'000 %		Status	Direction	
Democratic Representation & Management Expenditure										
Transport	4	4	4	4	4	-	-	Green	Amber	
Supplies and Services	161	161	148	114	161	-	-	Green	Amber	
Support Services	-	-	-	-	-	-	-	Green	Amber	
Net Expenditure	165	165	152	118	165	-	-			
Corporate Management Expenditure										
Supplies and Services	35	35	32	24	35	-	-	Green	Amber	
Support Services	5	5	5	3	5	-	-	Green	Amber	
Net Expenditure	40	40	37	27	40	-	-			
Net Expenditure (excluding Capital Charges)	40,250	40,250	36,879	35,258	39,615	(635)	(1.58)			
Interest Payable	669	669	328	430	669	-	-	Green	Amber	
Interest Receivable	(80)	(80)	(73)	(60)	(68)	12	(15.00)	Red	Red	8
Accounting Adjustments	2,733	2,733	-	111	2,866	133	4.87	Red	Amber	10
Contributions to / (from) Reserves	288	288	-	(721)	(329)	(617)	(214.24)	Green	Green	11
Net Budget Requirement	43,860	43,860	37,134	35,018	42,753	(1,107)	(2.52)	Green	Red	
Financed by :										
Business Rates	(3,568)	(3,568)	(3,274)	(3,274)	(3,568)	-	-	Green	Amber	
NNDR	(19,472)	(19,472)	(18,127)	(18,127)	(19,472)	-	-	Green	Amber	
Precepts	(20,820)	(20,820)	(19,138)	(19,138)	(20,820)	-	-	Green	Amber	
	-	-	(3,405)	(5,521)	(1,107)	(1,107)				

Notes

1. This variance is due to new ways of working within Public Safety offset by pay protection in relation to the change in the retained contracts which ceases after 2016/17.
2. This projected underspend is due to the part year effect of the Transactional Administration Review as well as a number of vacant posts across the service.
3. This variance is due to additional ill health pension contributions as well as additional spend on course fees.
4. A revaluation of the rateable values on a number of our premises have resulted in a refund on part of the business rates charge for the year.
5. This projected underspend relates to fuel.
6. This projected underspend is the net of purchasing less smoke alarms than anticipated, spending more on external extinguisher maintenance which is offset by additional income (see note 7) and furnishing the new Fire Stations at Brough and Central.

7. Additional income has been received in relation to external extinguisher maintenance (see note 6), additional grants from central government as well as income received from Hull CCG in relation to the Falls team.
8. This projected variance is due to less investment income than anticipated.
9. The balance of the contingency is not expected to be used during 2016/17.
10. Funding part of the Immingham capital scheme offset by lower MRP (Minimum Revenue Provision) than originally anticipated has created this variance.
11. These variances, which net to nil, are the accounting entries of transferring the East Coast Consortium grant over to Hertfordshire County Council.

Capital Statement

This report shows the actual and committed capital expenditure as at 28 February 2017 compared with the adjusted profiled 2016/17 budget for the same period. This report also shows the forecasted outturn for the full year based on current levels of expenditure and any known variations to the end of the financial year.

Table 3

**HUMBERSIDE FIRE & RESCUE SERVICE
CAPITAL MONITORING STATEMENT 2016/17
1 April 2016 to 28 February 2017 (Period 11)**

SCHEME	Original Budget	Revised Budget *	28 February 2017		Full Year Projection	Full Year Variance		Traffic Light		Note
	£'000		Profile	Actual & Committed		£'000	£'000	%	Status	
	£'000		£'000	£'000	£'000	£'000	%			
Building Works										
Invest to Save	200	255	100	43	255	-	-	Green	Amber	
Bransholme	-	579	100	81	200	(379)	(65.46)	Green	Green	1
Clough Road	-	877	-	-	-	(877)	(100.00)	Green	Green	2
Central & Brough	-	3,501	3,501	3,291	3,501	-	-	Green	Amber	
Howden	-	290	-	-	-	(290)	(100.00)	Green	Amber	3
Station Kitchens	-	114	100	103	114	-	-	Green	Amber	
Sundry Buildings	700	440	200	54	100	(340)	(77.27)	Green	Green	4
Training Infrastructure	-	107	107	107	107	-	-	Green	Amber	
HQ Car Park	-	115	50	15	115	-	-	Green	Amber	
Immingham West	-	498	498	483	498	-	-	Green	Amber	
	900	6,776	4,656	4,177	4,890	(1,886)	(27.83)			
Vehicles										
Operational Vehicles	-	1,316	1,316	1,216	1,216	(100)	(7.60)	Green	Green	5
Support Vehicles	76	154	100	72	72	(82)	(53.25)	Green	Green	5
Equipment	-	170	150	84	84	(86)	(50.59)	Green	Green	5
Information Technology	925	1,010	200	185	410	(600)	(59.41)	Green	Amber	6
	1,901	9,426	6,422	5,734	6,672	(2,754)	(29.22)			

* The revised budget includes £6.9m of slippage from the previous year's Capital Programme as agreed by the Fire Authority at its meeting on 27 June 2016. It also includes revenue funding of the Immingham Scheme of £0.2m and an increase of £0.4m as a result of the land swap for the new Central Fire Station.

Notes

1. The works at Bransholme aren't expected to be completed until 2017/18.
2. The training tower has been remodelled which will be at a lower cost than the original.
3. The works at Howden are currently on hold.
4. The works at HQ will not be completed during 2016/17.
5. The appliances and support vehicles will not be delivered until 2017/18.
6. The ESMCP project is unlikely to incur any significant costs during 2016/17.

Pensions Account Statement

The Authority has a revised budgeted deficit of £12.833m on this account for 2016/17. The deficit for the year is now projected to be £11.213m. This is a result of:

1. This variance is a combination of a lower number of retirements during 16/17 than anticipated offset by additional payments made in respect of the Pensions Holiday ruling that came into force during 16/17.
2. A lower number of retirements during 16/17 has resulted in less paid in commutations.
3. There hasn't been any transfers out of the Firefighters pensions scheme during 16/17 and there has been slightly more transferred into the scheme than originally anticipated.

The deficit on this account is financed through the Pensions Top-up Grant given by the CLG, of which 80% of the grant was received in July 2016. The Authority has to stand any cash flow losses until the balance of the grant is paid in full in July 2017.

Table 4

**HUMBERSIDE FIRE & RESCUE SERVICE
PENSIONS ACCOUNT STATEMENT 2016/17
1 April 2016 to 28 February 2017 (Period 11)**

	Revised Budget £'000	28 February 2017		Projection £'000	Full Year		Note
		Profile £'000	Actual £'000		Variance		
					£'000	%	
<u>Expenditure</u>							
Pension payments	14,285	14,285	14,029	14,339	54	0.38	1
Commutations	4,853	4,448	2,854	3,304	(1,549)	(31.92)	2
Transfer Values	100	92	-	-	(100)	(100.00)	3
Total Pensions Expenditure	19,238	18,825	16,883	17,643	(1,595)	(8.29)	
<u>Income</u>							
Contributions							
Ill Health	(180)	-	-	(180)	-	-	
Employee's	(2,677)	(2,454)	(2,325)	(2,677)	-	-	
Employer's	(3,348)	(3,069)	(2,964)	(3,348)	-	-	
	(6,205)	(5,523)	(5,289)	(6,205)	-	-	
Transfer Values	(200)	(150)	(225)	(225)	(25)	12.50	3
Total Pensions Income	(6,405)	(5,673)	(5,514)	(6,430)	(25)	0.39	
Net Pensions Deficit/(Surplus) To be financed by CLG grant	12,833	13,152	11,369	11,213	(1,620)	(12.62)	

Treasury Management

Borrowing & Lending Activity

This statement shows the borrowing and lending activities undertaken by the Corporate Finance section of Hull City Council, on behalf of the Service, for the period 1 April 2016 to 28 February 2017 under the terms of the SLA. It also shows any variation between the actual interest received from the temporary investment of surplus monies and the budgeted interest.

Table 5

**HUMBERSIDE FIRE & RESCUE SERVICE
BORROWING AND LENDING ACTIVITY STATEMENT
For the Period Ending 28 February 2017**

Ref.	Company	Investment £	From	To	%	Returned	
						Interest £	Investment £
HFA Instant	HSBC	-					
MMF	Deutsche Managed Sterling Fund	1,000,000.00					
MMF	Ignis Sterling Liquidity Fund	1,000,000.00					
MMF	Goldman Sachs Liquid Reserve Fund	575,000.00					
301607	DMO	1,000,000.00	21/12/2016	10/01/2017	0.10	54.79	1,000,000.00
301608	DMO	1,000,000.00	10/01/2017	17/01/2017	0.15	28.77	1,000,000.00
301576	Coventry Building Society	1,000,000.00	19/07/2016	19/01/2017	0.42	2,117.26	1,000,000.00
301581	Coventry Building Society	1,000,000.00	28/07/2016	30/01/2017	0.42	2,140.27	1,000,000.00
301609	DMO	2,000,000.00	19/01/2017	31/01/2017	0.15	98.63	2,000,000.00
301611	DMO	1,000,000.00	23/01/2017	31/01/2017	0.15	32.88	1,000,000.00
301582	Leeds Building Society	1,000,000.00	05/08/2016	06/02/2017	0.44	2,230.14	1,000,000.00
301596	Nationwide Building Society	1,000,000.00	12/08/2016	13/02/2017	0.40	2,027.40	1,000,000.00
301612	DMO	1,000,000.00	31/01/2017	14/02/2017	0.15	57.53	1,000,000.00
301615	DMO	1,000,000.00	14/02/2017	21/02/2017	0.15	28.77	1,000,000.00
301588	Thurrock Borough Council	2,000,000.00	22/08/2016	22/02/2017	0.35	3,528.77	2,000,000.00
301616	DMO	1,400,000.00	20/02/2017	28/02/2017	0.15	46.03	1,400,000.00
301617	DMO	2,500,000.00	21/02/2017	28/02/2017	0.15	71.92	2,500,000.00
301618	DMO	1,400,000.00	22/02/2017	02/03/2017	0.15	46.03	-
301619	DMO	1,000,000.00	28/02/2017	02/03/2017	0.10	5.48	-
301598	Barclays	1,000,000.00	16/09/2016	16/03/2017	0.43	2,132.33	-
301594	Blackpool Borough Council	2,000,000.00	21/11/2016	21/03/2017	0.22	1,446.58	-
301605	Bank of Scotland	1,000,000.00	20/12/2016	20/06/2017	0.60	2,991.78	-
301610	Bank of Scotland	1,000,000.00	19/01/2017	19/07/2017	0.60	2,975.34	-
301613	Leeds Building Society	1,000,000.00	06/02/2017	07/08/2017	0.43	2,144.11	-
301614	Nationwide Building Society	1,000,000.00	13/02/2017	14/08/2017	0.42	2,094.25	-
						26,299.06	

Total Investments at 28 February 2017

11,975,000.00

Summary of Interest Receipts

		Projection	Actual	Variance under/(over)	%
		£	£	£	
Accumulated interest on Investments to :	28/02/2017	73,337	60,333	13,004	17.73

The total amount temporarily invested at 28 February 2017 is £11.975m.

The balance in the Authority's Liquidity Manager Account (LMA) bank account as at 28 February 2017 is £269,240.46. This account currently accrues interest at 0.10%.

Movement in Revenue Reserves

This statement shows the movements on the revenue reserves for the period 1 April 2016 to 28 February 2017.

This statement also gives a projected value of revenue reserves at 31 March 2017 based on the projections in Table 1.

Table 6

HUMBERSIDE FIRE & RESCUE SERVICE MOVEMENT IN REVENUE RESERVES as at 28 February 2017

	As at 1 April 2016 £'000	In Year Movements £'000	Projected Balance at 31 March 2017 £'000
General Reserve	5,364	995 *	6,359
Earmarked Reserves			
Insurance	500	-	500
East Coast & Hertfordshire Control	720	(720)	-
Change Management	1,044	-	1,044
Central & Brough Fire Stations	3,502	(3,502)	-
Income From HFR Solutions	1,398	400	1,798
Capital Programme	2,300	(2,300)	-
Resilience Reserve	300	-	300
	<u>15,128</u>	<u>(5,127)</u>	<u>10,001</u>

*In year contribution to the General Reserve is based on the budgeted contribution to the reserve plus any estimated under/overspend as at 28th February 2017.

Budget Virements (transfer between lines) Processed

The following virements have been processed between January and February 2017 under delegations within the Fire Authority's constitution:

	£
Management and Support Contingency	(50,000)
Supplies and Services	50,000
<hr/> To fund the costs associated with the training of the new recruits following the recruitment process	
Management and Support Transport	(50,000)
Supplies and Services	50,000
<hr/> To fund the costs associated with the training of the new recruits following the recruitment process	
Management and Support Transport	(50,000)
Supplies and Services	50,000
<hr/> To cover additional subscription costs	
Management and Support Contingency	(40,000)
Supplies and Services	40,000
<hr/> To cover additional subsistence costs	