



# Management Accounts for the period ending 29<sup>th</sup> February 2016



**HUMBERSIDE**  
Fire & Rescue Service

*Safer Communities Safer Firefighters*

## Index

Key to Traffic Light System	2
Revenue Budget Summary - Table 1	3
Revenue Budget - Table 2	4
Capital Budget	7
Pensions Account	8
Treasury Management - Borrowing & Lending Activity	9
Movement in Revenue Reserves	10
Budget Virements Processed	11

## 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 2015 to 29 February 2016**

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 29 February 2016 compared to the profiled 2015/16 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 2015/16**  
**1 April 2015 to 29 February 2016 (Period 11)**

	Original Budget	Revised Budget	29 February 2016		Full Year		Traffic Light		Note	
			Profile	Actual & Committed	Projection	Variance	Status	Direction		
	£'000	£'000	£'000	£'000	£'000	£'000	%			
<b>Employees</b>										
Wholetime	24,373	24,833	22,766	21,699	23,863	(970)	(3.91)	Green	Green	1
Retained	3,664	3,664	3,155	3,315	3,990	326	8.90	Red	Red	2
Support	6,059	5,506	5,060	4,923	5,356	(150)	(2.72)	Green	Green	3
Other Employee Expenses (Training, Occ Health, Insurance)	1,386	1,358	1,149	901	1,542	184	13.55	Red	Red	4
<b>Total Pay &amp; Pensions</b>	<b>35,482</b>	<b>35,361</b>	<b>32,130</b>	<b>30,838</b>	<b>34,751</b>	<b>(610)</b>	<b>(1.73)</b>			
Premises	2,266	2,160	2,096	1,800	2,077	(83)	(3.84)	Green	Green	5
Transport	1,322	2,011	1,972	1,820	1,850	(161)	(8.01)	Green	Green	6
Supplies & Services	3,228	2,835	2,823	2,623	2,745	(90)	(3.17)	Green	Red	7
Support Services	122	118	74	97	158	40	33.90	Red	Green	8
Non Pay Savings	(336)	-	-	-	-	-	-	Green	Amber	
Total Expenditure	42,084	42,485	39,095	37,178	41,581	(904)	(2.13)			
Income	(643)	(1,159)	(589)	(1,961)	(1,189)	(30)	2.59	Green	Green	9
<b>Net Expenditure (Ex Capital Charges)</b>	<b>41,441</b>	<b>41,326</b>	<b>38,506</b>	<b>35,217</b>	<b>40,392</b>	<b>(934)</b>	<b>(2.26)</b>			
Interest Payable	732	732	355	539	732	-	-	Green	Amber	
Interest Receivable	(80)	(80)	(73)	(74)	(110)	(30)	37.50	Green	Green	10
Contingency	35	35	-	-	-	(35)	-	Green	Green	11
Accounting Adjustments	739	854	(1,123)	(1,186)	746	(108)	(12.65)	Green	Amber	12
Contributions to / (from) Reserves	(2)	(2)	-	-	(2)	-	-	Green	Amber	
<b>Net Budget Requirement</b>	<b>42,865</b>	<b>42,865</b>	<b>37,665</b>	<b>34,496</b>	<b>41,758</b>	<b>(1,107)</b>	<b>(2.58)</b>	<b>Green</b>	<b>Green</b>	
<b>Financed By</b>										
Business Rates	(3,351)	(3,351)	(3,072)	(3,090)	(3,351)	-	-			
National Non Domestic Rates	(19,723)	(19,723)	(18,305)	(18,305)	(19,723)	-	-			
Precepts	(19,791)	(19,791)	(18,174)	(18,174)	(19,791)	-	-			
	-	-	(1,886)	(5,073)	(1,107)	(1,107)	-			

Table 2

**HUMBERSIDE FIRE & RESCUE SERVICE**  
**REVENUE MONITORING STATEMENT 2015/16**  
**1 April 2015 to 29 February 2016 (Period 11)**

	Original Budget £'000	Revised Budget £'000	29 February 2016		Projection £'000	Full Year		Traffic Light		Note
			Profile £'000	Actual & Committed £'000		Variance		Status	Direction	
						£'000	%			
<b>Community Fire Safety Expenditure</b>										
Employees										
Wholetime	1,070	1,070	981	964	1,070	-	-	Green	Amber	
Retained	77	77	71	16	18	(59)	(76.62)	Green	Green	2
Support	1,801	1,801	1,651	1,573	1,721	(80)	(4.44)	Green	Green	3
Indirect Employees	47	48	44	43	48	-	-	Green	Amber	
Premises	-	8	8	7	8	-	-	Green	Amber	
Transport	3	11	3	11	11	-	-	Green	Amber	
Supplies and Services	337	320	309	280	280	(40)	(12.50)	Green	Red	7
Non Pay Savings	(17)	-	-	-	-	-	-	Green	Amber	
<b>Total Expenditure</b>	<b>3,318</b>	<b>3,335</b>	<b>3,067</b>	<b>2,894</b>	<b>3,156</b>	<b>(179)</b>	<b>(5.37)</b>			
<b>Income</b>	<b>(65)</b>	<b>(81)</b>	<b>(59)</b>	<b>(368)</b>	<b>(111)</b>	<b>(30)</b>	37.04	Green	Green	9
<b>Net Expenditure</b>	<b>3,253</b>	<b>3,254</b>	<b>3,008</b>	<b>2,526</b>	<b>3,045</b>	<b>(209)</b>	<b>(6.42)</b>			
<b>Fire Fighting &amp; Rescue Operations Expenditure</b>										
Employees										
Wholetime	18,871	18,871	17,299	16,594	18,206	(665)	(3.52)	Green	Green	1
Control	1,109	1,109	1,017	975	1,109	-	-	Green	Amber	
Retained	3,587	3,587	3,084	3,299	3,972	385	10.73	Red	Red	2
Support	122	122	111	99	122	-	-	Green	Amber	
Indirect Employees	19	19	18	17	19	-	-	Green	Amber	
Premises	1,341	1,307	1,267	1,106	1,282	(25)	(1.91)	Green	Amber	5
Transport	13	1	1	1	1	-	-	Green	Amber	
Supplies and Services	1,140	851	922	780	801	(50)	(5.88)	Green	Amber	7
Non Pay Savings	(125)	-	-	-	-	-	-	Green	Amber	
<b>Total Expenditure</b>	<b>26,077</b>	<b>25,867</b>	<b>23,719</b>	<b>22,871</b>	<b>25,512</b>	<b>(355)</b>	<b>(1.37)</b>			
<b>Income</b>	<b>(326)</b>	<b>(326)</b>	<b>(299)</b>	<b>(906)</b>	<b>(326)</b>	-	-	Green	Amber	
<b>Net Expenditure</b>	<b>25,751</b>	<b>25,541</b>	<b>23,420</b>	<b>21,965</b>	<b>25,186</b>	<b>(355)</b>	<b>(1.39)</b>			
<b>Management &amp; Support Services Expenditure</b>										
Employees										
Wholetime	3,323	3,783	3,469	3,166	3,478	(305)	(8.06)	Green	Green	1
Support	4,136	3,583	3,298	3,251	3,513	(70)	(1.95)	Green	Amber	3
Other Pension Costs	599	598	442	59	672	74	12.37	Red	Red	4
Indirect Employees	500	472	424	548	582	110	23.31	Red	Red	4
Employee Related Insurances	221	221	221	234	221	-	-	Green	Amber	
Premises	925	845	821	687	787	(58)	(6.86)	Green	Green	5
Transport	1,302	1,995	1,964	1,805	1,834	(161)	(8.07)	Green	Green	6
Supplies and Services	1,548	1,469	1,413	1,425	1,469	-	-	Green	Amber	
Support Services	117	113	74	97	153	40	35.40	Red	Green	8
Non Pay Savings	(194)	-	-	-	-	-	-	Green	Amber	
Contingency	35	35	-	-	-	(35)	-	Green	Green	11
<b>Total Expenditure</b>	<b>12,512</b>	<b>13,114</b>	<b>12,126</b>	<b>11,272</b>	<b>12,709</b>	<b>(405)</b>	<b>(3.09)</b>			
<b>Income</b>	<b>(252)</b>	<b>(752)</b>	<b>(231)</b>	<b>(687)</b>	<b>(752)</b>	-	-	Green	Amber	
<b>Net Expenditure</b>	<b>12,260</b>	<b>12,362</b>	<b>11,895</b>	<b>10,585</b>	<b>11,957</b>	<b>(405)</b>	<b>(3.28)</b>			

Cont...

Table 2 Cont...

**HUMBERSIDE FIRE & RESCUE SERVICE**  
**REVENUE MONITORING STATEMENT 2015/16**  
1 April 2015 to 29 February 2016 (Period 11)

	Original Budget £'000	Revised Budget £'000	29 February 2016		Full Year			Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance		Status	Direction	
						£'000	%			
<b>Democratic Representation &amp; Management Expenditure</b>										
Transport	4	4	4	3	4	-	-	Green	Amber	
Supplies and Services	160	160	147	114	160	-	-	Green	Amber	
Support Services	-	-	-	-	-	-	-	Green	Amber	
<b>Net Expenditure</b>	<b>164</b>	<b>164</b>	<b>151</b>	<b>117</b>	<b>164</b>	<b>-</b>	<b>-</b>			
<b>Corporate Management Expenditure</b>										
Supplies and Services	43	35	32	24	35	-	-	Green	Amber	
Support Services	5	5	-	-	5	-	-	Green	Amber	
<b>Net Expenditure</b>	<b>48</b>	<b>40</b>	<b>32</b>	<b>24</b>	<b>40</b>	<b>-</b>	<b>-</b>			
<b>Net Expenditure (excluding Capital Charges)</b>	<b>41,476</b>	<b>41,361</b>	<b>38,506</b>	<b>35,217</b>	<b>40,392</b>	<b>(969)</b>	<b>(2.34)</b>			
Interest Payable	732	732	355	539	732	-	-	Green	Amber	
Interest Receivable	(80)	(80)	(73)	(74)	(110)	(30)	37.50	Green	Green	10
Accounting Adjustments	739	854	(1,123)	(1,186)	746	(108)	(12.65)	Green	Amber	12
Contributions to / (from) Reserves	(2)	(2)	-	-	(2)	-	-	Green	Amber	
<b>Net Budget Requirement</b>	<b>42,865</b>	<b>42,865</b>	<b>37,665</b>	<b>34,496</b>	<b>41,758</b>	<b>(1,107)</b>	<b>(2.58)</b>	<b>Green</b>	<b>Green</b>	
<b>Financed by :</b>										
Business Rates	(3,351)	(3,351)	(3,072)	(3,090)	(3,351)	-	-	Green	Amber	
NNDR	(19,723)	(19,723)	(18,305)	(18,305)	(19,723)	-	-	Green	Amber	
Precepts	(19,791)	(19,791)	(18,174)	(18,174)	(19,791)	-	-	Green	Amber	
	-	-	<b>(1,886)</b>	<b>(5,073)</b>	<b>(1,107)</b>	<b>(1,107)</b>				

## Notes

1. This projected underspend is due to a combination of a number of firefighters retiring earlier than anticipated as well as lower employers pension contribution rate for staff in the 2015 firefighters pension scheme which was notified in late March 2015.
2. The change to the retained contracts has caused this variance. Pay protection was agreed for a period of 2 years as part of the change. This will taper over the next 18 months.
3. This projected underspend is due to a number of vacant posts.
4. This is due to an underspend on course fees which is offset by additional ill health pension contributions and costs incurred by using agency staff.
5. This projected underspend is due to a lower business rate charge following a revaluation of the rateable value of various properties as well a lower spend on fuel oil.
6. This projected underspend relates to officer travel and fuel.
7. This projected underspend is due to purchasing less smoke alarms than anticipated as well as spending less on hydrant maintenance. In addition to this there is a projected overspend on external extinguisher maintenance which is offset by the additional income (see note 9).

8. This anticipated overspend is due to additional spend on legal fees.
9. Additional income in relation to external fire extinguisher maintenance (see note 7).
10. Higher investment income than anticipated as a result of higher cash balances and a slight increase in interest rates.
11. The contingency is not expected to be used.
12. Lower MRP (Minimum Revenue Provision).

## Capital Statement

This report shows the actual and committed capital expenditure as at 29 February 2016 compared with the adjusted profiled 2015/16 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 2015/16  
1 April 2015 to 29 February 2016 (Period 11)**

SCHEME	Original Budget £'000	Revised Budget £'000	29 February 2016		Projection £'000	Full Year		Traffic Light		Note
			Profile £'000	Actual & Committed £'000		Variance		Status	Direction	
						£'000	%			
<b>Building Works</b>										
Invest to Save	200	249	-	-	70	(179)	(71.89)	Green	Green	1
Bransholme	-	328	-	8	13	(315)	(96.04)	Green	Green	2
Clough Road	-	980	100	58	150	(830)	(84.69)	Green	Green	3
Central & Brough	-	4,449	600	559	1,000	(3,449)	(77.52)	Green	Amber	4
Howden	170	290	-	-	20	(270)	(93.10)	Green	Amber	5
Withernsea	-	110	110	110	110	-	-	Green	Amber	
Station Kitchens	150	150	-	-	30	(120)	(80.00)	Green	Green	6
Cromwell Road	-	115	115	115	115	-	-	Green	Amber	
Brigg	-	258	258	231	258	-	-	Green	Amber	
Training Infrastructure	180	2,128	800	702	900	(1,228)	(57.71)	Green	Green	7
	700	9,057	1,983	1,783	2,666	(6,391)	(70.56)			
<b>Vehicles</b>										
Operational Vehicles	-	2,459	900	891	1,200	(1,259)	(51.20)	Green	Red	8
Support Vehicles	311	311	203	251	311	-	-	Green	Amber	
<b>Equipment</b>	-	252	90	85	85	(167)	(66.27)	Green	Red	8
<b>Information Technology</b>	320	320	320	319	320	-	-	Green	Amber	
Management Information System	-	36	-	-	36	-	-	Green	Amber	
<b>Breathing Apparatus</b>	-	520	450	442	520	-	-	Green	Amber	
	1,331	12,955	3,946	3,771	5,138	(7,817)	(60.34)			

## Notes

1. The Invest to Save programme won't be fully utilised during 2015/16.
2. The works at Bransholme will be completed during 2016/17.
3. The training facilities on the Clough Road site will not be fully completed until 2016/17.
4. Central and Brough fire stations will be completed during early 2016/17.
5. The works at Howden will be completed during early 2016/17.
6. The work on station kitchens will not be completed during 2015/16.
7. The Ark project will not be completed during 2015/16.
8. The appliances will not be delivered until 2016/17.



## Pensions Account Statement

The Authority has a revised budgeted deficit of £11.658m on this account for 2015/16. The deficit for the year is now expected to be £11.692m. This is as a result of:

1. A combination of lower pension payments, a higher value of commutations and less transfers out of the pension 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 of this year. The Authority has to stand any cash flow losses until the balance of the grant is paid in full in July 2016.

Table 4

**HUMBERSIDE FIRE & RESCUE SERVICE  
PENSIONS ACCOUNT STATEMENT 2015/16  
1 April 2015 to 29 February 2016 (Period 11)**

	Revised Budget £'000	29 February 2016		Projection £'000	Full Year		Note
		Profile £'000	Actual £'000		Variance		
					£'000	%	
<b><u>Expenditure</u></b>							
Pension payments	13,948	13,948	13,642	13,642	(306)	(2.19)	
Commutations	3,495	2,621	3,017	3,917	422	12.08	
Transfer Values	400	367	318	318	(82)	(20.50)	
<b>Total Pensions Expenditure</b>	<b>17,843</b>	<b>16,936</b>	<b>16,977</b>	<b>17,877</b>	<b>34</b>	<b>0.19</b>	<b>1</b>
<b><u>Income</u></b>							
Contributions							
Ill Health	(180)	-	-	(180)	-	-	
Employee's	(2,525)	(2,315)	(2,345)	(2,525)	-	-	
Employer's	(3,380)	(3,098)	(3,111)	(3,380)	-	-	
	<b>(6,085)</b>	<b>(5,413)</b>	<b>(5,456)</b>	<b>(6,085)</b>	<b>-</b>	<b>-</b>	
Transfer Values	(100)	(75)	(52)	(100)	-	-	
<b>Total Pensions Income</b>	<b>(6,185)</b>	<b>(5,488)</b>	<b>(5,508)</b>	<b>(6,185)</b>	<b>-</b>	<b>-</b>	
Net Pensions Deficit/(Surplus) To be financed by CLG grant	<b>11,658</b>	<b>11,448</b>	<b>11,469</b>	<b>11,692</b>	<b>34</b>	<b>0.29</b>	

## 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 2015 to 29 February 2016 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 29 February 2016**

<u>Ref.</u>	<u>Company</u>	<u>Investment</u> £	<u>From</u>	<u>To</u>	<u>%</u>	<u>Returned</u>	
						<u>Interest</u> £	<u>Investment</u> £
HFA Instant	HSBC	-					
MMF	Ignis Sterling Liquidity Fund	1,000,000.00					
MMF	Goldman Sachs Liquid Reserve Fund	1,000,000.00					
301521	Barclays Bank Plc	1,000,000.00	15/07/2015	15/01/2016	0.69	3,478.36	1,000,000.00
301523	Coventry Bld Soc	1,000,000.00	31/07/2015	29/01/2016	0.60	2,991.78	1,000,000.00
301525	Leeds Building Society	2,000,000.00	03/08/2015	03/02/2016	0.60	6,049.32	2,000,000.00
301539	Nationwide Building Society	1,000,000.00	12/11/2015	12/02/2016	0.50	1,260.27	1,000,000.00
301524	HSBC	3,000,000.00	31/07/2015	29/02/2016	0.45	7,878.08	3,000,000.00
301549	DMO	1,500,000.00	29/02/2016	01/03/2016	0.25	10.27	-
301531	Barclays Bank Plc	1,000,000.00	16/09/2015	16/03/2016	0.70	3,490.41	-
301526	Salford City Council	1,000,000.00	20/08/2015	21/03/2016	0.41	2,403.84	-
301508	Bank of Scotland	1,000,000.00	01/04/2015	30/03/2016	1.00	9,972.60	-
301535	Nationwide Building Society	1,000,000.00	01/10/2015	01/04/2016	0.66	3,309.04	-
301536	Coventry Bld Soc	1,000,000.00	19/10/2015	19/04/2016	0.60	3,008.22	-
301540	Bank of Scotland	1,000,000.00	16/11/2015	16/05/2016	0.70	3,490.41	-
301548	Coventry Building Society	1,000,000.00	22/02/2016	23/05/2016	0.45	1,121.92	-
301519	Woking Borough Council	2,000,000.00	30/06/2015	28/06/2016	0.55	10,969.86	-
301544	Barclays	1,000,000.00	19/01/2016	19/07/2016	0.70	3,490.41	-
301545	Leeds Building Society	1,000,000.00	05/02/2016	05/08/2016	0.67	3,340.82	-
301546	Nationwide Building Society	1,000,000.00	12/02/2016	18/02/2016	0.71	116.71	-
301547	Leeds Building Society	1,000,000.00	22/02/2016	22/08/2016	0.67	3,340.82	-
						<b>69,723.14</b>	

**Total Investments at 29 February 2016**

**16,500,000.00**

**Summary of Interest Receipts**

		<u>Projection</u>	<u>Actual</u>	<u>Variance</u> <u>under/(over)</u>	<u>%</u>
		£	£	£	
<b>Accumulated interest on Investments to :</b>	<b>29/02/2016</b>	73,337	74,416	(1,079)	(1.47)

**Temporary Loans**

		<u>Investment</u> £	<u>From</u>	<u>To</u>	<u>%</u>	<u>Interest</u> £
HFA10	Hull City Council	<b>1,000,000.00</b>	01/02/2016	03/02/2016	<b>0.50</b>	<b>27.40</b>

The total amount temporarily invested at 29 February 2016 is £16,500,000 which includes £2.80m invested on behalf of the East Coast and Hertfordshire Control Project.

The balance in the Authority's Liquidity Manager Account (LMA) bank account as at 29 February 2016 is £1,025,935.73. 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 2015 to 29 February 2016.

This statement also gives a projected value of revenue reserves at 31 March 2016 based on the projections in Table 1.

Table 6

### HUMBERSIDE FIRE & RESCUE SERVICE MOVEMENT IN REVENUE RESERVES as at 29 February 2016

	As at 1 April 2015 £'000	In Year Movements £'000	Projected Balance at 31 March 2016 £'000
General Reserve	5,041	605 *	5,646
Earmarked Reserves			
Insurance	500	-	500
East Coast & Hertfordshire Control	856	(200)	656
Change Management	2,405	-	2,405
Wide Area Network (WAN)	1,050	-	1,050
Central & Brough Fire Stations	4,449	(1,000)	3,449
Income From HFR Solutions	999	500	1,499
Capital Programme	500	(500)	-
Resilience Reserve	300	-	300
	<u>16,100</u>	<u>(595)</u>	<u>15,505</u>

\*In year contribution to the General Reserve is based on the budgeted contribution to the reserve plus any estimated under/overspend as at 29<sup>th</sup> February 2016.

## **Budget Virements (transfer between lines) Processed**

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

	£
Community Fire Safety Supplies & Services	(17,011)
Non Pay Savings	17,011
<hr/> Non Pay Efficiency Savings	
Fire Fighting & Rescue Operations Premises	(25,718)
Transport	(12,000)
Non Pay Savings	37,718
<hr/> Non Pay Efficiency Savings	
Fire Fighting & Rescue Operations Supplies & Services	(39,946)
Non Pay Savings	39,946
<hr/> Non Pay Efficiency Savings	
Management & Support Premises	(21,627)
Non Pay Savings	21,627
<hr/> Non Pay Efficiency Savings	
Management & Support Transport	(29,761)
Non Pay Savings	29,761
<hr/> Non Pay Efficiency Savings	
Management & Support Supplies & Services	(41,002)
Non Pay Savings	41,002
<hr/> Non Pay Efficiency Savings	

Fire Fighting & Rescue Operations Supplies & Services	(344)
Corporate Management Supplies & Services	(7,844)
Management & Support Supplies & Services	(40,743)
Non Pay Savings	48,931
<u>Non Pay Efficiency Savings</u>	

