



Management Accounts and Prudential Indicators for the period ending 31st July 2014



HUMBERSIDE
Fire & Rescue Service

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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 2014 to 31 July 2014

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 31 July 2014 compared to the profiled 2014/15 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 2014/15
1 April 2014 to 31 July 2014 (Period 04)

	Original Budget £'000	Revised Budget £'000	31 July 2014		Projection £'000	Full Year		Traffic Light		Note
			Profile £'000	Actual & Committed £'000		Variance £'000	%	Status	Direction	
Employees										
Wholtime	25,934	25,984	8,645	8,687	25,984	-	-	Green	Amber	
Retained	3,812	3,812	1,068	917	3,812	-	-	Green	Amber	
Support	5,725	5,725	1,917	2,035	5,725	-	-	Green	Amber	
Other Employee Expenses (Training, Occ Health, Insurance)	1,433	1,432	467	291	1,432	-	-	Green	Amber	
Total Pay & Pensions	36,904	36,953	12,097	11,930	36,953	-	-			
Premises	2,315	2,270	1,233	1,169	2,270	-	-	Green	Amber	
Transport	1,205	1,205	432	280	1,205	-	-	Green	Amber	
Supplies & Services	3,305	3,413	1,137	1,521	3,413	-	-	Green	Amber	
Support Services	130	125	20	125	125	-	-	Green	Amber	
Non Pay Savings	(337)	(269)	(90)	-	(269)	-	-	Green	Amber	
Total Expenditure	43,522	43,697	14,829	15,025	43,697	-	-			
Income	(640)	(658)	(135)	(731)	(928)	(270)	41.03	Green	Amber	1
Net Expenditure (Ex Capital Charges)	42,882	43,039	14,694	14,294	42,769	(270)	(0.63)			
Interest Payable	804	804	-	81	804	-	-	Green	Amber	
Interest Receivable	(50)	(50)	(17)	(23)	(50)	-	-	Green	Amber	
Contingency	285	235	-	-	235	-	-	Green	Amber	
Accounting Adjustments	682	682	(337)	(1,867)	682	-	-	Green	Amber	
Contributions to / (from) Reserves	134	27	-	-	27	-	-	Green	Amber	
Net Budget Requirement	44,737	44,737	14,340	12,485	44,467	(270)	(0.60)	Green	Green	
Financed By										
Business Rates	(3,252)	(3,252)	(1,084)	(1,070)	(3,252)	-	-			
National Non Domestic Rates	(22,124)	(22,124)	(7,375)	(10,174)	(22,124)	-	-			
Precepts	(19,361)	(19,361)	(6,648)	(6,651)	(19,361)	-	-			
	-	-	(767)	(5,410)	(270)	(270)	-			

Table 2

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2014/15
 1 April 2014 to 31 July 2014 (Period 04)

	Original Budget £'000	Revised Budget £'000	31 July 2014		Full Year			Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance		Status	Direction	
						£'000	%			
Community Fire Safety										
Expenditure										
Employees										
Wholetime	1,131	1,131	377	342	1,131	-	-	Green	Amber	
Retained	77	77	26	7	77	-	-	Green	Amber	
Support	1,763	1,763	588	574	1,763	-	-	Green	Amber	
Indirect Employees	47	47	16	12	47	-	-	Green	Amber	
Premises	1	1	-	1	1	-	-	Green	Amber	
Transport	23	23	8	6	23	-	-	Green	Amber	
Supplies and Services	346	346	115	170	346	-	-	Green	Amber	
Non Pay Savings	(19)	(19)	(6)	-	(19)	-	-	Green	Amber	
Total Expenditure	3,369	3,369	1,124	1,112	3,369	-	-			
Income	(64)	(64)	(20)	(98)	(64)	-	-	Green	Amber	
Net Expenditure	3,305	3,305	1,104	1,014	3,305	-	-			
Fire Fighting & Rescue Operations										
Expenditure										
Employees										
Wholetime	20,986	21,036	6,995	6,911	21,036	-	-	Green	Amber	
Control	1,268	1,268	423	421	1,268	-	-	Green	Amber	
Retained	3,735	3,735	1,042	910	3,735	-	-	Green	Amber	
Support	123	123	41	36	123	-	-	Green	Amber	
Indirect Employees	19	19	6	11	19	-	-	Green	Amber	
Premises	1,321	1,293	777	781	1,293	-	-	Green	Amber	
Transport	13	13	4	10	13	-	-	Green	Amber	
Supplies and Services	1,089	1,106	369	367	1,106	-	-	Green	Amber	
Non Pay Savings	(121)	(84)	(28)	-	(84)	-	-	Green	Amber	
Total Expenditure	28,433	28,509	9,629	9,447	28,509	-	-			
Income	(304)	(304)	(24)	(489)	(304)	-	-	Green	Amber	
Net Expenditure	28,129	28,205	9,605	8,958	28,205	-	-			
Management & Support Services										
Expenditure										
Employees										
Wholetime	2,549	2,549	850	1,013	2,549	-	-	Green	Amber	
Support	3,839	3,839	1,288	1,425	3,839	-	-	Green	Amber	
Other Pension Costs	594	594	159	75	594	-	-	Green	Amber	
Indirect Employees	552	551	176	193	551	-	-	Green	Amber	
Employee Related Insurances	221	221	110	-	221	-	-	Green	Amber	
Premises	993	976	456	387	976	-	-	Green	Amber	
Transport	1,165	1,165	419	262	1,165	-	-	Green	Amber	
Supplies and Services	1,669	1,760	586	920	1,760	-	-	Green	Amber	
Support Services	125	120	20	125	120	-	-	Green	Amber	
Non Pay Savings	(197)	(166)	(56)	-	(166)	-	-	Green	Amber	
Contingency	285	235	-	-	235	-	-	Green	Amber	
Total Expenditure	11,795	11,844	4,008	4,400	11,844	-	-			
Income	(272)	(290)	(91)	(144)	(560)	(270)	93.10	Green	Amber	1
Net Expenditure	11,523	11,554	3,917	4,256	11,284	(270)	(2.34)			

Cont....

Table 2 Cont....

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2014/15
 1 April 2014 to 31 July 2014 (Period 04)

	Original Budget £'000	Revised Budget £'000	31 July 2014		Full Year			Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance		Status	Direction	
						£'000	%			
Democratic Representation & Management Expenditure										
Transport	4	4	1	2	4	-	-	Green	Amber	
Supplies and Services	159	159	53	59	159	-	-	Green	Amber	
Support Services	-	-	-	-	-	-	-	Green	Amber	
Net Expenditure	163	163	54	61	163	-	-			
Corporate Management Expenditure										
Supplies and Services	42	42	14	5	42	-	-	Green	Amber	
Support Services	5	5	-	-	5	-	-	Green	Amber	
Net Expenditure	47	47	14	5	47	-	-			
Net Expenditure (excluding Capital Charges)	43,167	43,274	14,694	14,294	43,004	(270)	(0.62)			
Interest Payable	804	804	-	81	804	-	-	Green	Amber	
Interest Receivable	(50)	(50)	(17)	(23)	(50)	-	-	Green	Amber	
Accounting Adjustments	682	682	(337)	(1,867)	682	-	-	Green	Amber	
Contributions to / (from) Reserves	134	27	-	-	27	-	-	Green	Amber	
Net Budget Requirement	44,737	44,737	14,340	12,485	44,467	(270)	(0.60)	Green	Green	
Financed by :										
Business Rates	(3,252)	(3,252)	(1,084)	(1,070)	(3,252)	-	-	Green	Amber	
NDR	(22,124)	(22,124)	(7,375)	(10,174)	(22,124)	-	-	Green	Amber	
Precepts	(19,361)	(19,361)	(6,648)	(6,651)	(19,361)	-	-	Green	Amber	
	-	-	(767)	(5,410)	(270)	(270)				

Notes

1. Additional section 31 grant received from DCLG.

Capital Statement

This report shows the actual and committed capital expenditure as at 31 July 2014 compared with the adjusted profiled 2014/15 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 2014/15
1 April 2014 to 31 July 2014 (Period 04)

	Original Budget £'000	Revised Budget £'000	31 July 2014		Projection £'000	Full Year		Traffic Light		Note
			Profile £'000	Actual & Committed £'000		Variance		Status	Direction	
						£'000	%			
SCHEME										
Building Works										
Invest to Save	200	278	70	29	278	-	-	Green	Amber	
Bransholme	350	350	-	-	350	-	-	Green	Amber	
Clough Road	-	2,945	350	306	2,945	-	-	Green	Amber	
Brough	1,100	1,100	10	3	500	(600)	(54.55)	Green	Amber	1
Immingham West	-	140	-	-	140	-	-	Green	Amber	
Howden	180	120	-	-	120	-	-	Green	Amber	
Withernsea	-	60	60	30	60	-	-	Green	Amber	
Station End Equipment	150	150	-	-	150	-	-	Green	Amber	
Brigg	240	240	-	-	240	-	-	Green	Amber	
Training Infrastructure	1,575	1,959	150	106	1,959	-	-	Green	Amber	
	3,795	7,342	640	474	6,742	(600)	(8.17)			
Vehicles										
Operational Vehicles	2,540	2,846	-	-	2,846	-	-	Green	Amber	
Support Vehicles	356	356	200	178	356	-	-	Green	Amber	
Equipment										
	400	511	160	155	511	-	-	Green	Amber	
Information Technology										
	320	320	170	153	320	-	-	Green	Amber	
Management Information System										
	-	36	-	-	36	-	-	Green	Amber	
Breathing Apparatus										
	-	645	100	93	645	-	-	Green	Amber	
	7,411	12,056	1,270	1,053	11,456	(600)	(4.98)			

Notes

1. The new Brough Fire Station scheme will not complete within 2014/15.

Pensions Account Statement

The Authority has a revised budgeted deficit of £8.445m on this account for 2014/15.

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 2015.

Table 4

**HUMBERSIDE FIRE & RESCUE SERVICE
PENSIONS ACCOUNT STATEMENT 2014/15
1 April 2014 to 31 July 2014 (Period 04)**

	Revised Budget £'000	31 July 2014		Projection £'000	Full Year		Note
		Profile £'000	Actual £'000		Variance		
					£'000	%	
<u>Expenditure</u>							
Pension payments	12,828	5,345	5,293	12,828	-	-	
Commutations	2,442	1,018	474	2,442	-	-	
Transfer Values	100	42	-	100	-	-	
Total Pensions Expenditure	15,370	6,405	5,766	15,370	-	-	
<u>Income</u>							
Contributions							
Ill Health	(180)	-	-	(180)	-	-	
Employee's	(2,760)	(920)	(921)	(2,760)	-	-	
Employer's	(3,885)	(1,295)	(1,299)	(3,885)	-	-	
	(6,825)	(2,215)	(2,220)	(6,825)			
Transfer Values	(100)	-	-	(100)	-	-	
Total Pensions Income	(6,925)	(2,215)	(2,220)	(6,925)	-	-	
Net Pensions Deficit/(Surplus) To be financed by CLG grant	8,445	4,190	3,546	8,445	-	-	

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 2014 to 31 July 2014 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 Month of July 2014**

Ref.	Company	Investment £	From	To	%	Returned	
						Interest £	Investment £
HFA Instant	HSBC	-					
MMF	Ignis Sterling Liquidity Fund	1,000,000.00					
MMF	Goldman Sachs Liquid Reserve Fund	1,000,000.00					
301433	Plymouth City Council	1,000,000.00	01/08/2013	10/07/2014	0.29	2,725.21	1,000,000.00
301450	Nationwide Building Society	1,000,000.00	10/04/2014	11/07/2014	0.47	1,184.66	1,000,000.00
301418	Blackpool Borough Council	1,000,000.00	15/07/2013	14/07/2014	0.30	2,991.78	1,000,000.00
301424	Bury Metropolitan Borough Council	2,000,000.00	15/07/2013	14/07/2014	0.39	7,778.63	2,000,000.00
301423	Bassetlaw District Council	1,000,000.00	15/07/2013	14/07/2014	0.30	2,991.78	1,000,000.00
301432	Merthyr Tydfil Council	2,000,000.00	22/07/2013	21/07/2014	0.28	5,584.66	2,000,000.00
301475	DMO	1,000,000.00	21/07/2014	22/07/2014	0.25	6.85	1,000,000.00
301474	DMO	2,000,000.00	21/07/2014	28/07/2014	0.25	95.89	2,000,000.00
301451	Nationwide Building Society	1,000,000.00	29/04/2014	29/07/2014	0.48	1,196.71	1,000,000.00
301444	Royal Bank of Scotland	1,000,000.00	31/07/2013	30/07/2014	0.70	6,980.82	1,000,000.00
301420	Woking Borough Council	2,000,000.00	01/08/2013	31/07/2014	0.30	5,983.56	2,000,000.00
301467	DMO	1,000,000.00	14/07/2014	31/07/2014	0.25	116.44	1,000,000.00
301469	DMO	1,500,000.00	15/07/2014	31/07/2014	0.25	164.38	1,500,000.00
301477	DMO	2,000,000.00	28/07/2014	31/07/2014	0.25	41.10	2,000,000.00
301467	DMO	2,000,000.00	14/07/2014	01/08/2014	0.25	246.58	-
301454	HSBC	1,000,000.00	15/05/2014	15/08/2014	0.40	1,008.22	-
301434	Isle of Wight Council	1,000,000.00	21/08/2013	20/08/2014	0.28	2,792.33	-
301435	Thurrock Borough Council	2,000,000.00	02/09/2013	01/09/2014	0.28	5,584.66	-
301442	Eastleigh Borough Council	1,000,000.00	03/09/2013	02/09/2014	0.30	2,991.78	-
301457	Barclays Bank	2,000,000.00	16/06/2014	16/09/2014	0.47	2,369.32	-
301427	Corby Borough Council	1,600,000.00	20/09/2013	19/09/2014	0.30	4,786.85	-
301436	London Borough of Islington	2,000,000.00	01/10/2013	30/09/2014	0.28	5,584.66	-
301462	Nationwide Building Society	1,000,000.00	11/07/2014	13/10/2014	0.49	1,261.92	-
301463	Blaenau Gwent Borough Council	1,000,000.00	15/07/2014	15/10/2014	0.28	705.75	-
301479	Coventry Building Society	1,000,000.00	30/07/2014	30/10/2014	0.45	1,134.25	-
301453	Bank of Scotland	1,000,000.00	06/05/2014	06/11/2014	0.70	3,528.77	-
301464	Blaenau Gwent Borough Council	1,000,000.00	21/07/2014	12/11/2014	0.29	905.75	-
301470	Plymouth City Council	1,500,000.00	31/07/2014	28/11/2014	0.30	1,479.45	-
301460	Conwy Borough Council	2,000,000.00	15/07/2014	15/01/2015	0.35	3,528.77	-
301472	HSBC	2,000,000.00	15/07/2014	15/01/2015	0.45	4,536.99	-
301478	Nationwide Building Society	1,000,000.00	29/07/2014	29/01/2015	0.64	3,226.30	-
301461	Bassetlaw District Council	1,000,000.00	14/07/2014	16/02/2015	0.35	2,080.82	-
301466	Monmouthshire County Council	1,000,000.00	15/07/2014	16/02/2015	0.35	2,071.23	-
301449	Bank of Scotland	1,000,000.00	01/04/2014	31/03/2015	0.95	9,473.97	-
301476	Woking Borough Council	2,000,000.00	31/07/2014	30/06/2015	0.48	8,784.66	-
						105,925.50	

Total Investments at 31 July 2014

31,100,000.00

Summary of Interest Receipts

		Projection	Actual	Variance under/(over)	%
		£	£	£	
Accumulated interest on Investments to :	31/07/2014	16,668	22,559	(5,891)	(35.34)

Temporary Loans

	Investment	From	To	%	Interest
	£				£
Nil	-				-

The total amount temporarily invested at 31 July 2014 is £31,100,000 which includes £4.04m 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 31 July 2014 is £656,813.81. 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 2014 to 31 July 2014.

This statement also gives a projected value of revenue reserves at 31 March 2015 based on the projections in Table 1.

Table 6

**HUMBERSIDE FIRE & RESCUE SERVICE
MOVEMENT IN REVENUE RESERVES
as at 31 July 2014**

	As at 1 April 2014 £'000	In Year Movements £'000	Projected Balance at 31 March 2015 £'000
General Reserve	5,232	297 *	5,529
Earmarked Reserves			
Insurance	500	-	500
East Coast & Hertfordshire Control	1,137	(1,137)	-
BA Replacement	497	(497)	-
Change Management	2,405	-	2,405
Wide Area Network (WAN)	1,750	-	1,750
New Brough Station	1,229	(500)	729
Data and Intelligence Management	107	(107)	-
Lease Buy-Out	-	-	-
Central Fire Station	2,000	-	2,000
HFR Solutions	506	-	506
Workshops Collaboration	400	(400)	-
Capital Programme	1,498	(1,498)	-
	<u>17,261</u>	<u>(3,842)</u>	<u>13,419</u>

*In year contribution to the General Reserve is based on the budgeted contribution to the reserve plus any estimated under/overspend as at 31st July 2014.

Balance Sheet

This statement represents a snapshot of the balances at the date of this report.

It assumes that a revenue surplus of £5,410k, shown for the period in Table 1, is transferred to the General Reserve and that all capital expenditure is charged to the asset accounts.

As at the date of the report no long term borrowing to finance capital expenditure has been undertaken.

Table 7

	31-Jul
	£'000
Property, Plant & Equipment	69,227
Intangible Assets	635
Long Term Assets	69,862
Inventories	353
Short Term Investments	31,100
Short Term Debtors	2,637
Cash and Cash Equivalents	60
Current Assets	34,150
Cash and Cash Equivalents (liability)	
Short Term Creditors	(2,763)
Short Term Borrowing	(1,051)
Current Liabilities	(3,814)
Long Term Borrowing	(16,739)
Other Long Term Liabilities	(1,331)
Long Term Liabilities	(18,070)
Net Assets	<u>82,128</u>
Usable Reserves	22,678
Unusable Reserves	59,450
Total Reserves	<u>82,128</u>

The balance sheet displayed excludes IAS19 Employee Benefits pension liabilities of £538m. These liabilities relate to pension benefits that have been earned by employees which will eventually be paid as pensions in the future.

Prudential Indicators

The Prudential Indicators of the Authority for 2014/15 were approved at the 14 March 2014 Fire Authority Meeting.

The statements below monitor the actual performance to 31 July 2014 against the approved indicators.

Indicator 1 - Estimated Capital Expenditure 2014/15

This table reflects the forecasted capital expenditure as recorded in Table 3 of this report.

	2013/14 Actual £m	2014/15 Estimate Original £m	2014/15 Estimate Revised £m	2015/16 Estimate £m	2016/17 Estimate £m
Total Capital expenditure	5.061	11.544	11.456	1.439	2.642

Indicator 2 – Estimated ratio of Capital Financing Costs to Net Revenue Stream

This indicator reflects the estimated proportion of the net budget which is required to meet capital financing costs.

	2013/14 Actual %	2014/15 Estimate Original %	2014/15 Estimate Revised %	2015/16 Estimate %	2016/17 Estimate %
Ratio of Capital Financing Costs to Net Revenue Stream	11.25	5.60	5.62	6.55	6.69

Indicator 3 – Estimated Capital Financing Requirement

This indicator measures the Authority's need to borrow for capital financing purposes.

	Actual 31/03/14 £m	31/03/15 Estimate Original £m	31/03/15 Estimate Revised £m	Estimate 31/03/16 £m	Estimate 31/03/17 £m
Capital Financing Requirement	16.606	23.061	20.014	21.469	20.875

Indicator 4 – Authorised Limit for External Debt

The Authorised Limit for External Debt reflects the Authority's projected long and short term borrowing requirements at any time together with any other long term liabilities it may have. It is based on a prudent (but not worst case) scenario, and contains sufficient head room over and above this level to allow for operational management, for example, usual cash flow movements. The indicator was set at £31.557 million for 2014/15.

As at the 31 July 2014, the Authorised Limit has not been approached at any point in the year to date and is not forecast to be approached during the remainder of the financial year.

Indicator 5 – Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the same elements as the Authorised Limit (Indicator 4 above), but reflects directly the Director of Finance/S.151 Officer's estimate of the likely, prudent but not the worst case scenario without the additional headroom included in the Authorised Limit. This indicator therefore equates to the maximum external debt projected by this estimate and was set at £23.557 million for 2014/15.

As with the Authorised Limit, borrowing in the year to date has not exceeded the boundary and is not expected to exceed the boundary for the remainder of the financial year.

Indicator 6 – Fixed and Variable Rate Interest Exposure

This indicator seeks to ensure that the Authority limits its exposure to the risk of interest rate changes by restricting the proportion of variable rate borrowing within total borrowings. The approved limits for 2014/15 do not require amendment.

	As at 31/07/14	2014/15	2015/16	2016/17
	%	%	%	%
Fixed Rate – Upper Limit	100	100	100	100
Fixed Rate – Lower Limit	75	75	75	75
Variable Rate – Upper Limit	25	25	25	25
Variable Rate – Lower Limit	-	-	-	-

Indicator 7 – Upper and Lower Limits for the Maturity Structure of Borrowings

This indicator also seeks to ensure the Authority controls its exposure to the risk of interest rate fluctuations by limiting the proportion of debt maturing in any single period. The maturity structure of external debt is within the current approved upper and lower limits.

	Upper Limit %	% As at 31/07/14	Lower Limit %
Under 12 Months	15	6.04	-
12 months and within 24 months	15	7.45	-
24 months and within 5 years	25	15.42	-
5 years and within 10 years	60	27.73	-
10 years and above	80	43.36	-

Indicator 8 – Upper Limit for the Maturity Structure of Investments

When the 2014/15 Prudential Indicators were established the Authority's cash flow strategy was that any investment of surplus funds would not exceed a period of more than 364 days duration. To date, effective cash flow management has duly reflected this strategy, and it is anticipated that any future investments in this financial year will also reflect this strategy.

Key Indicator of Prudence

Under the Prudential Code a key indicator of prudence is that "net external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement in the preceding year plus the estimates of additional Capital Financing Requirements for the current and the next two financial years". To date, this indicator has not been breached.

Budget Virements (transfer between lines) Processed

The following virements have been processed during July 2014 under delegations within the Fire Authority's constitution:

	£
Management & Support Services	
Indirect Employees	(1,004)
Supplies and Services	1,004
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Allocation of a hospitality & conferences budget	
Fire Fighting & Rescue Operations	
Premises	(28,000)
Non Pay Savings	28,000
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Non Pay Efficiency Savings	
Management & Support Services	
Premises	(34,775)
Support Services	(5,000)
Non Pay Savings	30,317
Fire Fighting & Rescue Operations	
Non Pay Savings	9,458
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Non Pay Efficiency Savings	
Reserves	
Reserves	(107,004)
Management & Support Services	
Supplies and Services	107,004
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Creation of budget for Data & Intelligence Management	
Management & Support	
Contingency	(50,000)
Fire Fighting & Rescue Operations	
Wholetime Pay	50,000
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Funding of costs associated with industrial action	

	£
Management & Support Income	(18,000)
Premises	18,000
Funding of rent costs associated with the new stores facility	
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Management & Support Services Supplies and Services	(17,100)
Fire Fighting & Rescue Operations Supplies and Services	17,100
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Realignment of Corporate Performance budget	

HFR Solutions

The financial performance of HFR Solutions in 2012/13 (actual), 2013/14 (actual) and 2014/15 (year-end projection) is shown below.

	HFR Solutions surplus after corporation tax (£k)	HFRS costs charged to HFR Solutions (secondments, staff time, etc) (£k)	Total financial benefit of HFR Solutions to HFRS (£k)
2012/13 Actual (audited)	298	280	578
2013/14 Actual (audited)	164	451	615
2014/15 Year-End Projection	200	500	700

