



Management Accounts for the period ending 30th September 2018



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:-

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.

HUMBERSIDE FIRE & RESCUE SERVICE
COMMENTARY ON THE MANAGEMENT ACCOUNTS
For the period 1 April 2018 to 30 September 2018

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 30 September 2018 compared to the profiled 2018/19 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 2018/19
1 April 2018 to 30 September 2018 (Period 06)

| | Original Budget £'000 | Revised Budget £'000 | 30 September 2018 | | Full Year Projection £'000 | Full Year Variance | | Status | Note |
|--|--------------------------|-------------------------|-------------------|-----------------------------|----------------------------------|-----------------------|---------|--------|------|
| | | | Profile £'000 | Actual & Committed £'000 | | £'000 | % | | |
| Employees | | | | | | | | | |
| Wholetime | 22,024 | 22,449 | 11,247 | 11,370 | 22,942 | 493 | 2.20 | Red | 1 |
| Retained | 4,116 | 4,116 | 1,892 | 1,909 | 4,116 | - | - | Green | |
| Non-Operational | 6,191 | 6,126 | 3,039 | 3,024 | 6,102 | (24) | (0.39) | Green | 2 |
| Other Employee Expenses (Training, Occ Health, Insurance) | 1,576 | 1,538 | 858 | 1,045 | 1,655 | 117 | 7.61 | Red | 3 |
| Total Pay & Pensions | 33,907 | 34,229 | 17,036 | 17,348 | 34,815 | 586 | 1.71 | | |
| Premises | 2,435 | 2,669 | 1,823 | 1,703 | 2,560 | (109) | (4.08) | Green | 4 |
| Transport | 1,979 | 1,930 | 965 | 695 | 1,724 | (206) | (10.67) | Green | 5 |
| Supplies & Services | 2,853 | 2,723 | 1,361 | 2,215 | 2,976 | 253 | 9.29 | Red | 6 |
| Support Services | 229 | 204 | 107 | 79 | 169 | (35) | (17.16) | Green | 7 |
| Non Pay Efficiency Savings | (268) | - | - | - | - | - | - | Green | |
| Total Expenditure | 41,135 | 41,755 | 21,292 | 22,040 | 42,244 | 489 | 1.17 | | |
| Income | (1,206) | (1,826) | (913) | (279) | (1,836) | (10) | 0.55 | Green | 8 |
| Net Expenditure (Ex Capital Charges) | 39,929 | 39,929 | 20,379 | 21,761 | 40,408 | 479 | 1.20 | | |
| Interest Payable | 666 | 666 | 333 | 280 | 666 | - | - | Green | |
| Interest Receivable | (40) | (40) | (20) | (10) | (50) | (10) | 25.00 | Green | 8 |
| Accounting Adjustments | 2,512 | 2,512 | 1,256 | - | 2,312 | (200) | (7.96) | Green | 9 |
| Contributions to / (from) Reserves | (181) | (181) | (90) | - | (181) | - | - | Green | |
| Net Budget Requirement | 42,886 | 42,886 | 21,858 | 22,031 | 43,155 | 269 | 0.63 | Red | |
| Financed By | | | | | | | | | |
| Business Rates | (3,203) | (3,203) | (1,601) | (1,708) | (3,203) | - | - | | |
| National Non Domestic Rates | (17,307) | (17,307) | (8,654) | (9,921) | (17,307) | - | - | | |
| Precepts | (22,376) | (22,376) | (11,188) | (11,390) | (22,376) | - | - | | |
| | - | - | 415 | (988) | 269 | 269 | - | | |

Table 2

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2018/19
 1 April 2018 to 30 September 2018 (Period 06)

| | Original Budget £'000 | Revised Budget £'000 | 30 September 2018 | | Full Year | | | Status | Note |
|--|--------------------------|-------------------------|-------------------|-----------------------------|---------------------|-------------|---------------|--------|------|
| | | | Profile £'000 | Actual & Committed £'000 | Projection £'000 | Variance | | | |
| | | | | | | £'000 | % | | |
| Safety | | | | | | | | | |
| Expenditure | | | | | | | | | |
| Employees | | | | | | | | | |
| Wholetime | 954 | 954 | 477 | 440 | 954 | - | - | Green | |
| Retained | 12 | 12 | 6 | 7 | 12 | - | - | Green | |
| Non-Operational | 2,098 | 2,098 | 1,049 | 984 | 2,058 | (40) | (1.91) | Green | 2 |
| Indirect Employees | 48 | 48 | 24 | 31 | 48 | - | - | Green | |
| Premises | - | - | - | - | - | - | - | Green | |
| Transport | 3 | - | - | - | - | - | - | Green | |
| Supplies and Services | 281 | 267 | 134 | 168 | 230 | (37) | (13.86) | Green | 7 |
| Non Pay Efficiency Savings | (14) | - | - | - | - | - | - | Green | |
| Total Expenditure | 3,382 | 3,379 | 1,690 | 1,630 | 3,302 | (77) | (2.28) | | |
| Income | (103) | (100) | (50) | (104) | (100) | - | - | Green | |
| Net Expenditure | 3,279 | 3,279 | 1,640 | 1,526 | 3,202 | (77) | (2.35) | | |
| Fire Fighting & Rescue Operations | | | | | | | | | |
| Expenditure | | | | | | | | | |
| Employees | | | | | | | | | |
| Wholetime | 17,372 | 17,686 | 8,842 | 8,821 | 17,883 | 197 | 1.11 | Red | 1 |
| Control | 1,107 | 1,107 | 553 | 503 | 1,107 | - | - | Green | |
| Retained | 4,104 | 4,104 | 1,886 | 1,902 | 4,104 | - | - | Green | |
| Non-Operational | 122 | 122 | 61 | 51 | 107 | (15) | (12.30) | Green | 2 |
| Indirect Employees | 20 | 20 | 10 | 35 | 20 | - | - | Green | |
| Premises | 1,525 | 705 | 705 | 751 | 751 | 46 | 6.52 | Red | 4 |
| Transport | - | - | - | - | - | - | - | Green | |
| Supplies and Services | 696 | 645 | 322 | 245 | 645 | - | - | Green | |
| Non Pay Efficiency Savings | (76) | - | - | - | - | - | - | Green | |
| Total Expenditure | 24,870 | 24,389 | 12,379 | 12,308 | 24,617 | 228 | 0.93 | | |
| Income | (494) | (852) | (426) | (17) | (852) | - | - | Green | |
| Net Expenditure | 24,376 | 23,537 | 11,953 | 12,291 | 23,765 | 228 | 0.97 | | |
| Management & Support Services | | | | | | | | | |
| Expenditure | | | | | | | | | |
| Employees | | | | | | | | | |
| Wholetime | 2,591 | 2,702 | 1,375 | 1,606 | 2,998 | 296 | 10.95 | Red | 1 |
| Non-Operational | 3,971 | 3,906 | 1,929 | 1,989 | 3,937 | 31 | 0.79 | Red | 2 |
| Other Pension Costs | 597 | 597 | 241 | 290 | 597 | - | - | Green | |
| Indirect Employees | 619 | 581 | 291 | 517 | 744 | 163 | 28.06 | Red | 3 |
| Employee Related Insurances | 292 | 292 | 292 | 172 | 246 | (46) | (15.75) | Green | 3 |
| Premises | 910 | 1,964 | 1,118 | 952 | 1,809 | (155) | (7.89) | Green | 4 |
| Transport | 1,972 | 1,926 | 963 | 691 | 1,720 | (206) | (10.70) | Green | 5 |
| Supplies and Services | 1,696 | 1,631 | 815 | 1,742 | 1,938 | 307 | 18.82 | Red | 6 |
| Support Services | 224 | 199 | 107 | 60 | 164 | (35) | (17.59) | Green | 7 |
| Non Pay Efficiency Savings | (178) | - | - | - | - | - | - | Green | |
| Total Expenditure | 12,694 | 13,798 | 7,131 | 8,019 | 14,153 | 355 | 2.57 | | |
| Income | (609) | (874) | (437) | (158) | (884) | (10) | 1.14 | Green | 8 |
| Net Expenditure | 12,085 | 12,924 | 6,694 | 7,861 | 13,269 | 345 | 2.67 | | |

Cont...

Table 2 Cont...

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2018/19
 1 April 2018 to 30 September 2018 (Period 06)

| | Original Budget | Revised Budget | 30 September 2018 | | Full Year | | | Status | Note |
|---|-----------------|----------------|-------------------|--------------------|---------------|-------------|----------------|--------|------|
| | | | Profile | Actual & Committed | Projection | Variance | | | |
| | | | | | | £'000 | £'000 | | |
| Democratic Representation & Management Expenditure | | | | | | | | | |
| Transport | 4 | 4 | 2 | 4 | 4 | - | - | Green | |
| Supplies and Services | 147 | 147 | 73 | 60 | 130 | (17) | (11.56) | Green | 7 |
| Net Expenditure | 151 | 151 | 75 | 64 | 134 | (17) | (11.26) | | |
| Corporate Management Expenditure | | | | | | | | | |
| Supplies and Services | 33 | 33 | 17 | - | 33 | - | - | Green | |
| Support Services | 5 | 5 | - | 19 | 5 | - | - | Green | |
| Net Expenditure | 38 | 38 | 17 | 19 | 38 | | | | |
| Net Expenditure (excluding Capital Charges) | 39,929 | 39,929 | 20,379 | 21,761 | 40,408 | 479 | 1.20 | | |
| Interest Payable | 666 | 666 | 333 | 280 | 666 | - | - | Green | |
| Interest Receivable | (40) | (40) | (20) | (10) | (50) | (10) | 25.00 | Green | 8 |
| Accounting Adjustments | 2,512 | 2,512 | 1,256 | - | 2,312 | (200) | (7.96) | Green | 9 |
| Contributions to / (from) Reserves | (181) | (181) | (90) | - | (181) | - | - | Green | |
| Net Budget Requirement | 42,886 | 42,886 | 21,858 | 22,031 | 43,155 | 269 | 0.63 | Red | |
| Financed by : | | | | | | | | | |
| Business Rates | (3,203) | (3,203) | (1,601) | (1,708) | (3,203) | - | - | Green | |
| NNDR | (17,307) | (17,307) | (8,654) | (9,921) | (17,307) | - | - | Green | |
| Precepts | (22,376) | (22,376) | (11,188) | (11,390) | (22,376) | - | - | Green | |
| | - | - | 415 | (988) | 269 | 269 | | | |

Notes

1. This overspend is primarily due to earlier recruitment of firefighters than anticipated following the development of the workforce plan combined with a slower rate of retirements than expected. In addition to this there are a number of temporary posts to explore collaboration and co-ordinate HMICFRS inspection.
2. This projected underspend is primarily due to a number of posts across the service that are vacant but covered by agency staff.
3. This projected overspend is primarily due to using agency staff to cover a number of vacant posts across the service.
4. This projected underspend is due to reduced spend on repairs and maintenance of the estate combined with insurance premiums being lower than anticipated.
5. This projected underspend is due to lower spend with ESFM combined with vehicle insurance premiums being lower than anticipated.
6. This projected overspend is due to additional repairs and maintenance of firefighter kit due to the age, the kitting out of the recruits and additional airwave costs. In addition to this there is a predicted underspend due to purchasing less smoke alarms.

7. This projected underspend is due to spending less on Legal fees than originally anticipated.
8. Additional income due to providing HR advice to ESFM as well as more favourable interest rates on our investments.
9. This underspend is due to a lower contribution to Capital due to lower Capital spend than originally anticipated.

Capital Statement

This report shows the actual and committed capital expenditure as at 30 September 2018 compared with the adjusted profiled 2018/19 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 2018/19
1 April 2018 to 30 September 2018 (Period 06)**

| SCHEME | Original Budget £'000 | Revised Budget £'000 | 30 September 2018 | | Projection £'000 | Full Year | | Traffic Light | | Note |
|-------------------------------|--------------------------|-------------------------|-------------------|-----------------------------|---------------------|-----------|---------|---------------|-----------|------|
| | | | Profile £'000 | Actual & Committed £'000 | | Variance | | Status | Direction | |
| | | | | | | £'000 | % | | | |
| Building Works | | | | | | | | | | |
| Invest to Save | 130 | 142 | 71 | - | 50 | (92) | (64.79) | Green | Green | 1 |
| Bransholme | - | 27 | 14 | - | 27 | - | - | Green | Amber | |
| Goole | 100 | 100 | 50 | - | 20 | (80) | (80.00) | Green | Green | 1 |
| Scunthorpe | 100 | 100 | 50 | - | 20 | (80) | (80.00) | Green | Green | 1 |
| Bridlington | 400 | 450 | 225 | - | 70 | (380) | (84.44) | Green | Green | 1 |
| BA Training Refurbishment | 350 | 391 | 196 | 354 | 391 | - | - | Green | Amber | |
| HQ Phase 2 | 403 | 420 | 210 | - | 30 | (390) | (92.86) | Green | Green | 1 |
| HQ OTC | 120 | 150 | 75 | - | 150 | - | - | Green | Amber | |
| Dignity Works | 300 | 355 | 178 | 10 | 290 | (65) | (18.31) | Green | Green | 1 |
| Industrial Training Centre | 400 | 566 | 283 | 2 | 566 | - | - | Green | Amber | |
| Co-Location | 50 | 50 | 25 | - | 50 | - | - | Green | Amber | |
| ARK | - | - | - | 47 | 100 | 100 | 100.00 | Red | Red | 2 |
| | 2,353 | 2,751 | 1,377 | 413 | 1,764 | (987) | (35.88) | | | |
| Vehicles | | | | | | | | | | |
| Operational Vehicles | 1,490 | 1,533 | 767 | 441 | 1,533 | - | - | Green | Amber | |
| Support Vehicles | 236 | 329 | 165 | 177 | 329 | - | - | Green | Amber | |
| Equipment | 121 | 237 | 119 | 175 | 237 | - | - | Green | Amber | |
| Information Technology | 675 | 810 | 405 | 5 | 710 | (100) | (12.35) | Green | Green | 3 |
| | 4,875 | 5,660 | 2,833 | 1,211 | 4,573 | (1,087) | (19.20) | | | |

* the revised budget includes £0.785m of slippage from the previous year's Capital Programme as agreed by the Fire Authority at its meeting on 25 June 2018

Notes

1. These Capital schemes are going to slip into 2019/20
2. On-going development of the ARK project in collaboration with The University of Hull.
3. Some of the spending on the Emergency Services Network project is expected to be completed in 2019/20

Pensions Account Statement

The Authority has a revised budgeted deficit of £14.761m on this account for 2018/19.

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 2019.

Table 4

**HUMBERSIDE FIRE & RESCUE SERVICE
PENSIONS ACCOUNT STATEMENT 2018/19
1 April 2018 to 30 September 2018 (Period 06)**

| | Revised Budget £'000 | 30 September 2018 | | Projection £'000 | Full Year | | Note |
|---|----------------------------|-------------------|-----------------|---------------------|-----------|----------|------|
| | | Profile £'000 | Actual £'000 | | Variance | | |
| | | | | | £'000 | % | |
| <u>Expenditure</u> | | | | | | | |
| Pension payments | 15,819 | 9,228 | 8,898 | 15,819 | - | - | |
| Commutations | 4,498 | 2,249 | 2,377 | 4,498 | - | - | |
| Transfer Values | 100 | 50 | - | 100 | - | - | |
| Total Pensions Expenditure | 20,417 | 11,527 | 11,275 | 20,417 | - | - | |
| <u>Income</u> | | | | | | | |
| Contributions | | | | | | | |
| Ill Health | (120) | (60) | - | (120) | - | - | |
| Employee's | (2,435) | (1,218) | (1,216) | (2,435) | - | - | |
| Employer's | (3,001) | (1,501) | (1,497) | (3,001) | - | - | |
| | (5,556) | (2,779) | (2,713) | (5,556) | - | - | |
| Transfer Values | (100) | (50) | (100) | (100) | - | - | |
| Total Pensions Income | (5,656) | (2,829) | (2,813) | (5,656) | - | - | |
| Net Pensions Deficit/(Surplus) To be financed by CLG grant | 14,761 | 8,698 | 8,462 | 14,761 | - | - | |

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 2018 to 30 September 2018 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 30 September 2018**

| Ref. | Company | Investment £ | From | To | % | Returned | |
|---|-----------------------------------|----------------------|------------|------------|------|------------------|-----------------|
| | | | | | | Interest £ | Investment £ |
| MMF | Deutsche Managed Sterling Fund | 1,000,000.00 | | | | | |
| MMF | Aberdeen (SL) Liquidity Fund | 1,000,000.00 | | | | | |
| MMF | Goldman Sachs Liquid Reserve Fund | - | | | | | |
| 301657 | DMO | 3,000,000.00 | 27/07/2018 | 31/07/2018 | 0.25 | 82.19 | 3,000,000.00 |
| 301658 | Thurrock Borough Council | 1,000,000.00 | 31/07/2018 | 31/08/2018 | 0.47 | 399.18 | 1,000,000.00 |
| 301665 | DMO | 1,500,000.00 | 20/08/2018 | 31/08/2018 | 0.50 | 226.03 | 1,500,000.00 |
| 301660 | Birmingham City Council | 2,000,000.00 | 27/07/2018 | 19/10/2018 | 0.57 | 2,623.56 | - |
| 301661 | Dumfries and Galloway Council | 2,000,000.00 | 27/07/2018 | 31/10/2018 | 0.55 | 2,893.15 | - |
| 301662 | Nationwide | 2,000,000.00 | 27/07/2018 | 30/11/2018 | 0.68 | 4,694.79 | - |
| 301663 | Bank of Scotland | 2,000,000.00 | 27/07/2018 | 31/12/2018 | 0.72 | 6,193.97 | - |
| 301664 | Barclays | 2,000,000.00 | 27/07/2018 | 31/01/2019 | 0.78 | 8,055.67 | - |
| 301666 | Eastleigh Borough Council | 1,000,000.00 | 19/09/2018 | 19/03/2019 | 0.80 | 3,967.12 | - |
| | | | | | | 29,135.66 | |
| Total Investments at 30 September 2018 | | 13,000,000.00 | | | | | |

Summary of Interest Receipts

| | | Projection £ | Actual £ | Variance under/(over) £ | % |
|--|------------|-----------------|-------------|-------------------------------|-------|
| Accumulated Interest on Investments to : | 30/09/2018 | 19,998 | 9,618 | 10,380 | 51.91 |

Temporary Loans

| Investment £ | From | To | % | Interest £ |
|-----------------|------|----|---|---------------|
| - | | | | - |

The total amount temporarily invested at 30 September 2018 is £13.000m.

The balance in the Authority's Liquidity Manager Account (LMA) bank account as at 30 September 2018 is £17,268.56. 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 2018 to 30 September 2018.

This statement also gives a projected value of revenue reserves at 31 March 2019 based on the projections in Table 1.

Table 6

**HUMBERSIDE FIRE & RESCUE SERVICE
MOVEMENT IN REVENUE RESERVES
as at 30 September 2018**

| | As at 1 April 2018 £'000 | In Year Movements £'000 | Projected Balance at 31 March 2019 £'000 |
|--|--------------------------------|-------------------------------|--|
| General Reserve | 5,270 | (450) * | 4,820 |
| Earmarked Reserves | | | |
| Insurance | 500 | - | 500 |
| Change Management | 400 | - | 400 |
| The Ark - National Flood Resilience Centre | 1,000 | - | 1,000 |
| Capital Programme | 2,400 | - | 2,400 |
| Resilience Reserve | 300 | - | 300 |
| | <u>9,870</u> | <u>(450)</u> | <u>9,420</u> |

*In year contribution to the General Reserve is based on the budgeted contribution to the reserve plus any estimated under/overspend as at 30th September 2018.

Budget Virements (transfer between lines) Processed

The following virements processed during the quarter ending 30th September 2018

| | £'000 |
|--|-------|
| Safety | |
| Supplies & Services | (14) |
| Firefighting & Rescue Operations | |
| Supplies & Services | (51) |
| Income | (44) |
| Management and Support | |
| Indirect Employees | 30 |
| Premises | (3) |
| Transport | (46) |
| Supplies & Services | (108) |
| Support Services | (25) |
| Income | 5 |
| Non Pay Efficiency Savings | 256 |
| Allocation of efficiency savings target across non pay budgets | |
| <hr/> | |
| Management and Support | |
| Wholetime Pay | (48) |
| Non-Operational Pay | 48 |
| Realignment of Corporate Assurance pay budget | |
| <hr/> | |