



Management Accounts for the period ending 31st December 2016



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 31 December 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 31 December 2016 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 31 December 2016 (Period 06)

	Original Budget	Revised Budget	30 December 2016		Full Year		Traffic Light		Note
			Profile	Actual & Committed	Projection	Variance	Status	Direction	
	£'000	£'000	£'000	£'000	£'000	£'000	%		
Employees									
Wholetime	22,573	22,953	17,309	17,103	22,953	-	-	Green	Amber
Retained	3,843	3,943	2,676	2,881	4,043	100	2.54	Red	Red 1
Support	5,824	5,774	4,367	3,853	5,349	(425)	(7.36)	Green	Red 2
Other Employee Expenses (Training, Occ Health, Insurance)	1,507	1,541	1,102	1,058	1,641	100	6.49	Red	Red 3
Total Pay & Pensions	33,747	34,211	25,454	24,895	33,986	(225)	(0.66)		
Premises	2,032	2,002	1,711	1,522	1,894	(108)	(5.39)	Green	Amber 4
Transport	1,956	1,956	1,518	1,452	1,826	(130)	(6.65)	Green	Green 5
Supplies & Services	2,585	2,635	1,940	2,066	2,575	(60)	(2.28)	Green	Green 6
Support Services	231	231	158	183	231	-	-	Green	Amber
Total Expenditure	40,551	41,035	30,781	30,118	40,512	(523)	(1.27)		
Income	(451)	(935)	(338)	(2,050)	(1,560)	(625)	66.84	Green	Green 7
Net Expenditure (Ex Capital Charges)	40,100	40,100	30,443	28,068	38,952	(1,148)	(2.86)		
Interest Payable	669	669	328	256	669	-	-	Green	Amber
Interest Receivable	(80)	(80)	(60)	(47)	(80)	-	-	Green	Amber
Contingency	150	150	-	-	-	(150)	-	Green	Green 8
Accounting Adjustments	2,733	2,733	250	-	2,866	133	4.87	Red	Red 9
Contributions to / (from) Reserves	288	288	-	-	288	-	-	Green	Amber
Net Budget Requirement	43,860	43,860	30,961	28,277	42,695	(1,165)	(2.66)	Green	Green
Financed By									
Business Rates	(3,568)	(3,568)	(2,687)	(2,687)	(3,568)	-	-		
National Non Domestic Rates	(19,472)	(19,472)	(15,439)	(15,439)	(19,472)	-	-		
Precepts	(20,820)	(20,820)	(15,774)	(15,774)	(20,820)	-	-		
	-	-	(2,939)	(5,623)	(1,165)	(1,165)	-		

Table 2

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2016/17
 1 April 2016 to 31 December 2016 (Period 09)

	Original Budget £'000	Revised Budget £'000	31 December 2016		Full Year			Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance		Status	Direction	
						£'000	%			
Community Fire Safety Expenditure										
Employees										
Wholetime	1,102	1,102	826	818	1,102	-	-	Green	Amber	
Retained	78	78	58	8	78	-	-	Green	Amber	
Support	1,809	1,809	1,356	1,318	1,759	(50)	(2.76)	Green	Amber	2
Indirect Employees	47	47	36	13	47	-	-	Green	Amber	
Premises	-	5	5	2	5	-	-	Green	Amber	
Transport	3	3	2	2	3	-	-	Green	Amber	
Supplies and Services	245	245	184	118	185	(60)	(24.49)	Green	Green	6
Total Expenditure	3,284	3,289	2,467	2,279	3,179	(110)	(3.34)			
Income	(65)	(70)	(49)	(296)	(110)	(40)	57.14	Green	Green	7
Net Expenditure	3,219	3,219	2,418	1,983	3,069	(150)	(4.66)			
Fire Fighting & Rescue Operations Expenditure										
Employees										
Wholetime	17,904	17,904	13,428	13,215	17,904	-	-	Green	Amber	
Control	1,120	1,120	840	821	1,120	-	-	Green	Amber	
Retained	3,765	3,865 *	2,618	2,873	3,965	100	2.59	Red	Red	1
Support	123	123	92	86	123	-	-	Green	Amber	
Indirect Employees	19	19	15	19	19	-	-	Green	Amber	
Premises	1,318	1,293	1,105	1,126	1,185	(108)	(8.35)	Green	Amber	4
Transport	1	1	1	-	1	-	-	Green	Amber	
Supplies and Services	766	766	574	433	766	-	-	Green	Amber	
Total Expenditure	25,016	25,091	18,673	18,573	25,083	(8)	(0.03)			
Income	(317)	(417) *	(238)	(1,299)	(712)	(295)	70.74	Green	Green	7
Net Expenditure	24,699	24,674	18,435	17,274	24,371	(303)	(1.23)			
Management & Support Services Expenditure										
Employees										
Wholetime	2,447	2,827	2,215	2,249	2,827	-	-	Green	Amber	
Support	3,892	3,842	2,919	2,449	3,467	(375)	(9.76)	Green	Red	2
Other Pension Costs	604	603	365	326	703	100	16.58	Red	Red	3
Indirect Employees	605	605	454	433	605	-	-	Green	Amber	
Employee Related Insurances	232	267	232	267	267	-	-	Green	Amber	
Premises	714	704	601	394	704	-	-	Green	Amber	
Transport	1,948	1,948	1,512	1,446	1,818	(130)	(6.67)	Green	Green	5
Supplies and Services	1,378	1,428	1,034	1,405	1,428	-	-	Green	Amber	
Support Services	226	226	154	180	226	-	-	Green	Amber	
Contingency	150	150	-	-	-	(150)	-	Green	Green	8
Total Expenditure	12,196	12,600	9,486	9,149	12,045	(555)	(4.40)			
Income	(69)	(448)	(51)	(455)	(738)	(290)	64.73	Green	Green	7
Net Expenditure	12,127	12,152	9,435	8,694	11,307	(845)	(6.95)			

Cont...

Table 2 Cont...

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2016/17
 1 April 2016 to 31 December 2016 (Period 09)

	Original Budget £'000	Revised Budget £'000	31 December 2016		Full Year			Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance		Status	Direction	
						£'000	%			
Democratic Representation & Management Expenditure										
Transport	4	4	3	4	4	-	-	Green	Amber	
Supplies and Services	161	161	121	94	161	-	-	Green	Amber	
Support Services	-	-	-	-	-	-	-	Green	Amber	
Net Expenditure	165	165	124	98	165					
Corporate Management Expenditure										
Supplies and Services	35	35	27	16	35	-	-	Green	Amber	
Support Services	5	5	4	3	5	-	-	Green	Amber	
Net Expenditure	40	40	31	19	40					
Net Expenditure (excluding Capital Charges)	40,250	40,250	30,443	28,068	38,952	(1,298)	(3.22)			
Interest Payable	669	669	328	256	669	-	-	Green	Amber	
Interest Receivable	(80)	(80)	(60)	(47)	(80)	-	-	Green	Amber	
Accounting Adjustments	2,733	2,733	250	-	2,866	133	4.87	Red	Red	9
Contributions to / (from) Reserves	288	288	-	-	288	-	-	Green	Amber	
Net Budget Requirement	43,860	43,860	30,961	28,277	42,695	(1,165)	(2.66)	Green	Green	
Financed by :										
Business Rates	(3,568)	(3,568)	(2,687)	(2,687)	(3,568)	-	-	Green	Amber	
NNDR	(19,472)	(19,472)	(15,439)	(15,439)	(19,472)	-	-	Green	Amber	
Precepts	(20,820)	(20,820)	(15,774)	(15,774)	(20,820)	-	-	Green	Amber	
	-	-	(2,939)	(5,623)	(1,165)	(1,165)				

*Budgets increased to reflect expenditure and income in relation to the EFR schemes.

Notes

1. This variance is due to the 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.
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 and spending more on external extinguisher maintenance which is offset by additional income (see note 7).

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. The contingency is not expected to be used during 2016/17.
9. Funding part of the Immingham capital scheme offset by lower MRP (Minimum Revenue Provision) than originally anticipated has created this variance.

Capital Statement

This report shows the actual and committed capital expenditure as at 31 December 2016 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 31 December 2016 (Period 09)**

	Original Budget £'000	Revised Budget £'000	31 December 2016		Full Year		Traffic Light		Note	
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance £'000 %	Status	Direction		
SCHEME										
Building Works										
Invest to Save	200	255	100	43	255	-	-	Green	Amber	
Bransholme	-	579	100	52	300	(279)	(48.19)	Green	Green	1
Clough Road	-	877	-	-	30	(847)	(96.58)	Green	Green	2
Central & Brough	-	3,501	3,000	2,848	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	101	130	(310)	(70.45)	Green	Green	4
Training Infrastructure	-	107	107	102	107	-	-	Green	Amber	
HQ Car Park	-	115	-	15	115	-	-	Green	Amber	
Immingham West	-	498	498	721	498	-	-	Green	Amber	
	900	6,776	4,105	3,985	5,050	(1,726)	(25.47)			
Vehicles										
Operational Vehicles	-	1,316	1,200	1,132	1,316	-	-	Green	Amber	
Support Vehicles	76	154	50	72	154	-	-	Green	Amber	
Equipment										
	-	170	150	84	170	-	-	Green	Amber	
Information Technology										
	925	1,010	200	166	410	(600)	(59.41)	Green	Amber	5
	1,901	9,426	5,705	5,439	7,100	(2,326)	(24.68)			

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 ESCMP 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 on this account is financed through the Pensions Top-up Grant given by the CLG, of which 80% of the grant is expected to be 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 2017.

Table 4

**HUMBERSIDE FIRE & RESCUE SERVICE
PENSIONS ACCOUNT STATEMENT 2016/17
1 April 2016 to 31 December 2016 (Period 09)**

	Revised Budget £'000	31 December 2016		Projection £'000	Full Year		Note
		Profile £'000	Actual £'000		Variance		
					£'000	%	
<u>Expenditure</u>							
Pension payments	14,285	11,904	11,691	14,285	-	-	
Commutations	4,853	3,640	2,641	4,853	-	-	
Transfer Values	100	75	-	100	-	-	
Total Pensions Expenditure	19,238	15,619	14,332	19,238	-	-	
<u>Income</u>							
Contributions							
Ill Health	(180)	-	-	(180)	-	-	
Employee's	(2,677)	(2,008)	(1,919)	(2,677)	-	-	
Employer's	(3,348)	(2,511)	(2,452)	(3,348)	-	-	
	<u>(6,205)</u>	<u>(4,519)</u>	<u>(4,371)</u>	<u>(6,205)</u>	<u>-</u>	<u>-</u>	
Transfer Values	(200)	(150)	(192)	(200)	-	-	
Total Pensions Income	(6,405)	(4,669)	(4,563)	(6,405)	-	-	
Net Pensions Deficit/(Surplus) To be financed by CLG grant	<u>12,833</u>	<u>10,950</u>	<u>9,769</u>	<u>12,833</u>	<u>-</u>	<u>-</u>	

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 31 December 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 31 December 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	Deutsche Managed Sterling Fund	1,000,000.00					
MMF	Ignis Sterling Liquidity Fund	1,000,000.00					
MMF	Goldman Sachs Liquid Reserve Fund	1,000,000.00					
301575	Barclays	1,000,000.00	19/07/2016	19/10/2016	0.42	1,058.63	1,000,000.00
301580	Leeds City Council	2,000,000.00	28/07/2016	28/10/2016	0.32	1,613.15	2,000,000.00
301601	DMO	2,000,000.00	28/10/2016	31/10/2016	0.15	24.66	2,000,000.00
301560	Bank of Scotland	1,000,000.00	16/05/2016	16/11/2016	0.80	4,032.88	1,000,000.00
301590	Blaenau Gwent Borough Council	2,000,000.00	18/08/2016	18/11/2016	0.29	1,461.92	2,000,000.00
301589	Highland Council	2,000,000.00	19/08/2016	21/11/2016	0.30	1,545.21	2,000,000.00
301602	DMO	1,500,000.00	18/11/2016	30/11/2016	0.15	73.97	1,500,000.00
301603	DMO	2,000,000.00	21/11/2016	30/11/2016	0.15	73.97	2,000,000.00
301593	Sterling Council	2,000,000.00	22/08/2016	19/12/2016	0.22	1,434.52	2,000,000.00
301568	Nationwide Building Society	1,000,000.00	20/06/2016	20/12/2016	0.66	3,309.04	1,000,000.00
301606	DMO	1,000,000.00	21/12/2016	22/12/2016	0.15	4.11	1,000,000.00
301573	Bank of Scotland	1,000,000.00	30/06/2016	30/12/2016	0.80	4,010.96	1,000,000.00
301604	DMO	3,000,000.00	19/12/2016	30/12/2016	0.15	135.62	3,000,000.00
301607	DMO	1,000,000.00	21/12/2016	10/01/2017	0.10	54.79	-
301576	Coventry Building Society	1,000,000.00	19/07/2016	19/01/2017	0.42	2,117.26	-
301581	Coventry Building Society	1,000,000.00	28/07/2016	30/01/2017	0.42	2,140.27	-
301582	Leeds Building Society	1,000,000.00	05/08/2016	06/02/2017	0.25	1,267.12	-
301596	Nationwide Building Society	1,000,000.00	12/08/2016	13/02/2017	0.40	2,027.40	-
301588	Thurrock Borough Council	2,000,000.00	22/08/2016	22/02/2017	0.35	3,528.77	-
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	-
						36,484.94	
Total Investments at 31 December 2016		14,000,000.00					

Summary of Interest Receipts

		<u>Projection</u>	<u>Actual</u>	<u>Variance</u> <u>under/(over)</u>	<u>%</u>
		£	£	£	
Accumulated interest on Investments to :	31/12/2016	60,003	46,633	13,370	22.28

The total amount temporarily invested at 31 December 2016 is £14,000,000 which includes £2.39m 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 December 2016 is £813,233.62. 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 31 December 2016.

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 31 December 2016**

	As at 1 April 2016 £'000	In Year Movements £'000	Projected Balance at 31 March 2017 £'000
General Reserve	5,364	1,053 *	6,417
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>(5,069)</u>	<u>10,059</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 December 2016.

Budget Virements (transfer between lines) Processed

The following virements have been processed between October and December 2016 under delegations within the Fire Authority's constitution:

	£
Management and Support Support	(50,000)
Supplies and Services	50,000
To fund temporary appointments in the Human Resources Directorate using the funding from vacant posts within that area pending the conclusion of the SRP review	
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Management and Support Premises	(35,000)
Employee Related Insurances	35,000
To fund insurances from underspend on Business Rates	
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Fire Fighting & Operations Premises	(15,000)
Management and Support Premises	15,000
To fund alterations from repairs and maintenance	
<hr/>	
Fire Fighting & Operations Premises	(10,000)
Management and Support Premises	10,000
To fund equipment and window cleaning from fuel oil	
<hr/>	
Capital Sundry Buildings	(85,000)
Clough Road	(30,000)
SHQ Car Parking	115,000
Funding of SHQ car park	
<hr/>	
Capital Sundry Buildings	(97,000)

Invest to Save	(144,000)
Station Kitchens	(31,000)
Bransholme	272,000

To fund the scheme at Bransholme following tender

Capital

Invest to Save	(50,000)
Station Kitchens	(5,000)
Training Infrastructure	(115,000)
Immingham West	170,000

To fund scheme at Immingham