



Management Accounts for the period ending 31st December 2019



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:-

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 2019 to 31 December 2019

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 2019 compared to the profiled 2019/20 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 2019/20
1 April 2019 to 31 December 2019 (Period 09)

	Original Budget £'000	Revised Budget £'000	31 December 2019		Full Year			Status	Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance £'000 %			
Employees									
Wholetime Firefighters	22,980	25,498	19,122	19,143	25,471	(27)	(0.11)	Green	1
On-Call Firefighters	4,199	4,602	3,281	3,278	4,632	30	0.65	Red	1
Non-Operational	6,328	6,439	4,828	4,586	6,234	(205)	(3.18)	Green	1
Other Employee Expenses (Training, Occ Health, Insurance)	1,535	1,535	1,199	1,128	1,419	(116)	(7.56)	Green	2
Total Pay & Pensions	35,042	38,074	28,430	28,135	37,756	(318)	(0.84)		
Premises	2,676	2,676	2,245	2,490	2,697	21	0.78	Red	3
Transport	1,664	1,664	1,279	1,592	1,664	-	-	Green	
Supplies & Services	3,283	3,283	2,464	3,866	3,811	528	16.08	Red	4
Support Services	204	204	154	72	191	(13)	(6.37)	Green	5
Non Pay Efficiency Savings	(173)	(173)	(130)	-	(173)	-	-	Green	
Total Expenditure	42,696	45,728	34,442	36,155	45,946	218	0.48		
Income	(1,469)	(4,501)	(4,012)	(3,853)	(4,710)	(209)	4.64	Green	6
Net Expenditure (Ex Capital Charges)	41,227	41,227	30,430	32,302	41,236	9	0.02		
Interest Payable	635	635	318	304	635	-	-	Green	
Interest Receivable	(50)	(50)	(38)	(43)	(64)	(14)	28.00	Green	6
Accounting Adjustments	1,777	1,777	-	-	1,809	32	1.80	Red	7
Contributions to / (from) Reserves	(13)	(13)	-	-	(13)	-	-	Green	
Net Budget Requirement	43,576	43,576	30,710	32,563	43,603	27	0.06	Red	
Financed By									
Business Rates	(3,476)	(3,476)	(2,607)	(2,724)	(3,476)	-	-		
National Non Domestic Rates	(16,830)	(16,830)	(13,210)	(13,210)	(16,830)	-	-		
Precepts	(23,270)	(23,270)	(17,522)	(17,531)	(23,270)	-	-		
	-	-	(2,629)	(902)	27	27	-		

Notes

1. This underspend is primarily due to a number of vacant support role posts.
2. This projected underspend is due to spending less on training as well as a lower ill health contribution to the Pension Fund.
3. This projected overspend is due to spending slightly more on maintenance to our estate than originally anticipated.
4. This projected overspend is due to additional repairs and maintenance of firefighter kit due to the age, purchase of additional IT equipment and software. In addition to this there is a predicted underspend due to purchasing less smoke alarms.
5. This projected underspend is primarily due to spending less on legal fees than originally anticipated.
6. Additional income due to funding of Road Safety Team from Safer Roads Humber, rental of PPE and plant to HFR Solutions, additional secondments to other government departments and a higher level of return on our investments than anticipated.
7. This overspend is due to a higher level of Minimum Revenue Provision (MRP).

Capital Statement

This report shows the actual and committed capital expenditure as at 31 December 2019 compared with the adjusted profiled 2019/20 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 2

HUMBERSIDE FIRE & RESCUE SERVICE
CAPITAL MONITORING STATEMENT 2019/20
1 April 2019 to 31 December 2019 (Period 09)

SCHEME	Original Budget £'000	Revised Budget £'000	31 December 2019		Projection £'000	Full Year		Traffic Light Status	Note
			Profile	Actual & Committed		Variance			
			£'000	£'000		£'000	%		
Building Works									
Invest to Save	-	142	99	-	50	(92)	(64.79)	Green	1
Goole	300	400	280	-	25	(375)	(93.75)	Green	1
Scunthorpe	400	500	350	-	50	(450)	(90.00)	Green	1
Bridlington	-	450	315	-	40	(410)	(91.11)	Green	1
BA Training Refurbishment	-	23	16	4	20	(3)	(13.04)	Green	1
HQ Phase 2	-	78	55	27	78	-	-	Green	1
HQ OTC	-	132	92	-	65	(67)	(50.76)	Green	1
Dignity Works	435	671	470	-	575	(96)	(14.31)	Green	1
Industrial Training Centre	250	803	562	-	400	(403)	(50.19)	Green	1
Co-Location	50	100	70	-	15	(85)	(85.00)	Green	1
Cleethorpes	85	85	60	-	45	(40)	(47.06)	Green	1
Howden	200	200	140	2	6	(194)	(97.00)	Green	1
Block Allocation	80	80	56	-	40	(40)	(50.00)	Green	1
	1,800	3,664	2,565	33	1,409	(2,255)	(61.54)		
Vehicles									
Operational Vehicles	450	450	315	213	220	(230)	(51.11)	Green	2
Support Vehicles	370	499	349	276	356	(143)	(28.66)	Green	2
Equipment	69	69	48	67	69	-	-	Green	
PPE	1,000	1,000	700	-	-	(1,000)	(100.00)	Green	3
Information Technology	675	926	648	119	926	-	-	Green	
	4,364	6,608	4,625	708	2,980	(3,628)	(54.90)		

Notes

1. These Capital schemes will now conclude in 2020/21.
2. Rephasing of the replacement programme has resulted in the reduction of an appliance and two support vehicles during 2019/20.
3. The rollout of replacement PPE will not commence during 2019/20.

Pensions Account Statement

The Authority has a revised budgeted deficit of £11.271m on this account for 2019/20. The deficit for the year is now projected to be £12.692m. This is a result of:

1. A higher level of pension payments and commutations due to more retirements than anticipated.
2. Lower contributions due to more retirements than anticipated combined with slightly lower employer contributions rates than anticipated due to people tapering into the 2015 scheme.

The deficit on this account is financed through the Pensions Top-up Grant given by the Home Office, of which 80% of the grant was received in July of this financial year. The Authority has to stand any cash flow losses until the balance of the grant is paid in full in July 2020.

Table 3

HUMBERSIDE FIRE & RESCUE SERVICE
PENSIONS ACCOUNT STATEMENT 2019/20
1 April 2019 to 31 December 2019 (Period 09)

	Revised Budget £'000	31 December 2019		Projection £'000	Full Year		Note
		Profile £'000	Actual £'000		Variance £'000	%	
<u>Expenditure</u>							
Pension payments	16,355	13,629	13,400	17,103	748	4.57	1
Commutations	3,452	2,589	3,432	3,912	460	13.33	1
Total Pensions Expenditure	19,807	16,218	16,904	21,015	1,208	6.10	
<u>Income</u>							
Contributions							
Ill Health	(115)	(86)	-	(80)	35	(30.43)	2
Employee's	(2,503)	(1,878)	(1,828)	(2,428)	75	(3.00)	2
Employer's	(5,818)	(4,363)	(4,235)	(5,615)	203	(3.49)	2
	(8,436)	(6,327)	(6,063)	(8,123)	313	(3.71)	
Transfer Values	(100)	(75)	(178)	(200)	(100)	100.00	2
Total Pensions Income	(8,536)	(6,402)	(6,241)	(8,323)	213	(2.50)	
Net Pensions Deficit/(Surplus) To be financed by HO grant	11,271	9,816	10,663	12,692	1,421	12.61	

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 2019 to 31 December 2019 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 4

**HUMBERSIDE FIRE & RESCUE SERVICE
BORROWING AND LENDING ACTIVITY STATEMENT
For the Period Ending 31 December 2019**

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	620,000.00					
301677	BOS	1,500,000.00	22/07/2019	22/10/2019	0.90	3,402.74	1,500,000.00
301678	Barclays	1,000,000.00	26/07/2019	28/10/2019	0.62	1,596.71	1,000,000.00
301679	London Borough of Hounslow	2,000,000.00	30/07/2019	28/10/2019	0.72	3,550.68	2,000,000.00
301681	Royal Borough of Windsor and Maidenhead	1,500,000.00	30/07/2019	29/11/2019	0.73	3,660.00	1,500,000.00
301680	Torfaen County Borough Council	2,000,000.00	30/07/2019	31/12/2019	0.74	6,244.38	2,000,000.00
301689	BOS	1,500,000.00	22/10/2019	22/01/2020	0.80	3,024.66	-
301683	Surrey Heath BC	2,000,000.00	27/08/2019	27/02/2020	0.75	7,561.64	-
301682	London Borough of Islington	2,000,000.00	29/08/2019	28/02/2020	0.75	7,520.55	-
						36,561.37	
Total Investments at 31 December 2019		8,120,000.00					

Summary of Interest Receipts

		Projection £	Actual £	Variance under/(over) £	%
Accumulated interest on Investments to :	31/12/2019	37,503	43,291	(5,788)	(15.43)

Temporary Loans

Investment £	From	To	%	Interest £
-				-

The total amount temporarily invested at 31 December 2019 is £8.120m.

The balance in the Authority's Liquidity Manager Account (LMA) bank account as at 31 December 2019 is £110,141.92. 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 2019 to 31 December 2019.

This statement also gives a projected value of revenue reserves at 31 March 2020 based on the projections in Table 1.

Table 5

**HUMBERSIDE FIRE & RESCUE SERVICE
MOVEMENT IN REVENUE RESERVES
as at 31 December 2019**

	As at 1 April 2019 £'000	In Year Movements £'000	Projected Balance at 31 March 2020 £'000
General Reserve	5,251	360 *	5,611
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
ESMCP	338	-	338
	10,189	(40)	10,149

*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 2019.

Budget Virements (transfer between lines) Processed

There were no budget virements processed during the period to 31st December 2019.