



Management Accounts for the period ending 30th June 2017



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	6
Pensions Account	7
Treasury Management - Borrowing & Lending Activity	8
Movement in Revenue Reserves	9
Budget Virements Processed	10

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 2017 to 30 June 2017

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 June 2017 compared to the profiled 2017/18 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 2017/18
1 April 2017 to 30 June 2017 (Period 03)

	Original Budget	Revised Budget	30 June 2017		Projection	Full Year		Traffic Light		Note
			Profile	Actual & Committed		Variance		Status	Direction	
	£'000	£'000	£'000	£'000	£'000	£'000	%			
Employees										
Wholetime	21,811	22,151	5,538	5,730	22,325	174	0.79	Red	Red	1
Retained	4,082	4,082	854	816	4,090	8	0.20	Red	Red	1
Non-Operational	5,823	5,823	1,456	1,277	5,673	(150)	(2.58)	Green	Green	2
Other Employee Expenses (Training, Occ Health, Insurance)	1,700	1,700	458	547	1,700	-	-	Green	Amber	
Total Pay & Pensions	33,416	33,756	8,306	8,370	33,788	32	0.09			
Premises	2,070	2,070	1,035	1,217	2,164	94	4.54	Red	Red	3
Transport	2,001	2,001	564	841	2,001	-	-	Green	Amber	
Supplies & Services	2,762	2,762	680	1,265	2,762	-	-	Green	Amber	
Support Services	229	229	76	39	199	(30)	(13.10)	Green	Green	4
Total Expenditure	40,478	40,818	10,661	11,732	40,914	96	0.24			
Income	(739)	(1,079)	(129)	(907)	(1,159)	(80)	7.41	Green	Green	5
Net Expenditure (Ex Capital Charges)	39,739	39,739	10,532	10,825	39,755	16	0.04			
Interest Payable	614	614	-	20	614	-	-	Green	Amber	
Interest Receivable	(80)	(80)	(20)	(5)	(80)	-	-	Green	Amber	
Accounting Adjustments	2,584	2,584	-	-	2,546	(38)	(1.47)	Green	Green	6
Contributions to / (from) Reserves	(102)	(102)	-	-	(102)	-	-	Green	Amber	
Net Budget Requirement	42,755	42,755	10,512	10,840	42,733	(22)	(0.05)	Green	Green	
Financed By										
Business Rates	(3,015)	(3,015)	(701)	(782)	(3,015)	-	-			
National Non Domestic Rates	(18,148)	(18,148)	(6,565)	(6,565)	(18,148)	-	-			
Precepts	(21,592)	(21,592)	(5,834)	(5,839)	(21,592)	-	-			
	-	-	(2,588)	(2,346)	(22)	(22)	-			

Table 2

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2017/18
 1 April 2017 to 30 June 2017 (Period 03)

	Original Budget £'000	Revised Budget £'000	30 June 2017		Full Year			Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance		Status	Direction	
						£'000	%			
Safety										
Expenditure										
Employees										
Wholetime	1,071	1,071	268	225	1,079	8	0.75	Red	Red	1
Retained	12	12	3	1	12	-	-	Green	Amber	
Non-Operational	1,851	1,851	463	422	1,801	(50)	(2.70)	Green	Green	2
Indirect Employees	48	48	12	7	48	-	-	Green	Amber	
Premises	-	-	-	-	-	-	-	Green	Amber	
Transport	3	3	1	-	3	-	-	Green	Amber	
Supplies and Services	281	281	66	26	281	-	-	Green	Amber	
Total Expenditure	3,266	3,266	813	681	3,224	(42)	(1.29)			
Income	(102)	(102)	(25)	(209)	(102)	-	-	Green	Amber	
Net Expenditure	3,164	3,164	788	472	3,122	(42)	(1.33)			
Fire Fighting & Rescue Operations										
Expenditure										
Employees										
Wholetime	17,114	17,454 *	4,364	4,503	17,578	124	0.71	Red	Red	1
Control	1,116	1,116	279	255	1,146	30	2.69	Red	Red	1
Retained	4,070	4,070	851	815	4,078	8	0.20	Red	Red	1
Non-Operational	128	128	32	21	128	-	-	Green	Amber	
Indirect Employees	20	20	5	5	20	-	-	Green	Amber	
Premises	1,336	1,336	737	910	1,430	94	7.04	Red	Red	3
Transport	-	-	-	-	-	-	-	Green	Amber	
Supplies and Services	796	796	199	217	796	-	-	Green	Amber	
Total Expenditure	24,580	24,920	6,467	6,726	25,176	256	1.03			
Income	(365)	(705) *	(103)	(695)	(705)	-	-	Green	Amber	
Net Expenditure	24,215	24,215	6,364	6,031	24,471	256	1.06			
Management & Support Services										
Expenditure										
Employees										
Wholetime	2,510	2,510	627	747	2,522	12	0.48	Red	Red	1
Non-Operational	3,844	3,844	961	834	3,744	(100)	(2.60)	Green	Green	2
Other Pension Costs	588	588	118	209	588	-	-	Green	Amber	
Indirect Employees	790	790	196	182	790	-	-	Green	Amber	
Employee Related Insurances	254	254	127	144	254	-	-	Green	Amber	
Premises	734	734	298	307	734	-	-	Green	Amber	
Transport	1,994	1,994	562	840	1,994	-	-	Green	Amber	
Supplies and Services	1,506	1,506	371	991	1,506	-	-	Green	Amber	
Support Services	224	224	76	38	194	(30)	(13.39)	Green	Green	4
Total Expenditure	12,444	12,444	3,336	4,292	12,326	(118)	(0.95)			
Income	(272)	(272)	(1)	(3)	(352)	(80)	29.41	Green	Green	5
Net Expenditure	12,172	12,172	3,335	4,289	11,974	(198)	(1.63)			

Cont...

Table 2 Cont...

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2017/18
 1 April 2017 to 30 June 2017 (Period 03)

	Original Budget £'000	Revised Budget £'000	30 June 2017		Full Year			Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance £'000 %		Status	Direction	
Democratic Representation & Management Expenditure										
Transport	4	4	1	1	4	-	-	Green	Amber	
Supplies and Services	146	146	36	31	146	-	-	Green	Amber	
Net Expenditure	150	150	37	32	150					
Corporate Management Expenditure										
Supplies and Services	33	33	8	-	33	-	-	Green	Amber	
Support Services	5	5	-	1	5	-	-	Green	Amber	
Net Expenditure	38	38	8	1	38					
Net Expenditure (excluding Capital Charges)	39,739	39,739	10,532	10,825	39,755	16	0.04			
Interest Payable	614	614	-	20	614	-	-	Green	Amber	
Interest Receivable	(80)	(80)	(20)	(5)	(80)	-	-	Green	Amber	
Accounting Adjustments	2,584	2,584	-	-	2,546	(38)	(1.47)	Green	Green	6
Contributions to / (from) Reserves	(102)	(102)	-	-	(102)	-	-	Green	Amber	
Net Budget Requirement	42,755	42,755	10,512	10,840	42,733	(22)	(0.05)	Green	Green	
Financed by :										
Business Rates	(3,015)	(3,015)	(701)	(782)	(3,015)	-	-	Green	Amber	
NDR	(18,148)	(18,148)	(6,565)	(6,565)	(18,148)	-	-	Green	Amber	
Precepts	(21,592)	(21,592)	(5,834)	(5,839)	(21,592)	-	-	Green	Amber	
	-	-	(2,588)	(2,346)	(22)	(22)				

*Budgets increased to reflect expenditure and income in relation to the Falls team

Notes

1. This variance is due to the 2017 grey book pay offer due from 1 July 2017 which is currently 1% higher during 2017/18 than budgeted for. Clearly, this will be kept under review as the pay negotiations for 2017 continue.
2. This projected underspend is due to a number of vacant posts across the service.
3. This variance is due to an increase in business rates following a reassessment of the rateable value of Clough Road Fire Station.
4. This projected underspend is due to spending less on Legal fees than originally anticipated.
5. Additional income in relation to aerial rentals.
6. 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 30 June 2017 compared with the adjusted profiled 2017/18 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 2017/18
1 April 2017 to 30 June 2017 (Period 03)**

	Original Budget £'000	Revised Budget £'000	30 June 2017		Projection £'000	Full Year		Traffic Light		Note
			Profile £'000	Actual & Committed £'000		Variance £'000	%	Status	Direction	
SCHEME										
Building Works										
Invest to Save	200	412	10	2	412	-	-	Green	Amber	
Bransholme	-	356	10	2	356	-	-	Green	Amber	
Clough Road	-	877	-	-	877	-	-	Green	Amber	
Howden	-	290	-	-	290	-	-	Green	Amber	
Station Kitchens	-	18	-	-	18	-	-	Green	Amber	
Sundry Buildings	700	1,073	150	115	1,073	-	-	Green	Amber	
	900	3,026	170	119	3,026	-	-			
Vehicles										
Operational Vehicles	1,850	1,937	-	1,004	1,937	-	-	Green	Amber	
Support Vehicles	420	502	-	-	502	-	-	Green	Amber	
Equipment										
	250	356	-	39	356	-	-	Green	Amber	
Information Technology										
	575	1,409	-	13	1,409	-	-	Green	Amber	
	3,995	7,230	170	1,175	7,230	-	-			

* The revised budget includes £3.2m of slippage from the previous year's Capital Programme as agreed by the Fire Authority at its meeting on 26 June 2017.

Pensions Account Statement

The Authority has a revised budgeted deficit of £11.585m on this account for 2017/18.

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 2018.

Table 4

**HUMBERSIDE FIRE & RESCUE SERVICE
PENSIONS ACCOUNT STATEMENT 2017/18
1 April 2017 to 30 June 2017 (Period 03)**

	Revised Budget £'000	30 June 2017		Projection £'000	Full Year		Note
		Profile £'000	Actual £'000		Variance		
					£'000	%	
<u>Expenditure</u>							
Pension payments	14,909	4,970	4,817	14,909	-	-	
Commutations	2,760	690	949	2,760	-	-	
Transfer Values	100	25	-	100	-	-	
Total Pensions Expenditure	17,770	5,685	5,766	17,770	-	-	
<u>Income</u>							
Contributions							
Ill Health	(120)	(30)	-	(120)	-	-	
Employee's	(2,671)	(668)	(615)	(2,671)	-	-	
Employer's	(3,294)	(824)	(768)	(3,294)	-	-	
	(6,085)	(1,521)	(1,384)	(6,085)	-	-	
Transfer Values	(100)	(25)	-	(100)	-	-	
Total Pensions Income	(6,185)	(1,546)	(1,384)	(6,185)	-	-	
Net Pensions Deficit/(Surplus) To be financed by CLG grant	11,585	4,139	4,383	11,585	-	-	

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 2017 to 30 June 2017 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 June 2017**

<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	620,000.00					
MMF	Ignis Sterling Liquidity Fund	1,000,000.00					
MMF	Goldman Sachs Liquid Reserve Fund	-					
301622	DMO	1,500,000.00	03/04/2017	04/04/2017	0.10	4.11	1,500,000.00
301623	DMO	1,500,000.00	03/04/2017	28/04/2017	0.10	102.74	1,500,000.00
301625	DMO	2,000,000.00	22/05/2017	23/05/2017	0.10	5.48	2,000,000.00
301626	DMO	2,000,000.00	23/05/2017	31/05/2017	0.10	43.84	2,000,000.00
301605	Bank of Scotland	1,000,000.00	20/12/2016	20/06/2017	0.60	2,991.78	1,000,000.00
301628	DMO	1,000,000.00	21/06/2017	30/06/2017	0.10	24.66	1,000,000.00
301624	Nottingham City Council	1,500,000.00	04/04/2017	04/07/2017	0.32	1,196.71	-
301610	Bank of Scotland	1,000,000.00	19/01/2017	19/07/2017	0.60	2,975.34	-
301613	Leeds Building Society	1,000,000.00	06/02/2017	07/08/2017	0.43	2,144.11	-
301614	Nationwide Building Society	1,000,000.00	13/02/2017	14/08/2017	0.42	2,094.25	-
301627	Bank of Scotland	1,000,000.00	20/06/2017	20/12/2017	0.36	1,804.93	-
						13,387.95	

Total Investments at 30 June 2017

7,120,000.00**Summary of Interest Receipts**

	<u>Projection</u>	<u>Actual</u>	<u>Variance</u> <u>under/(over)</u>	<u>%</u>	
	£	£	£		
Accumulated interest on Investments to :	30/06/2017	20,001	4,969	15,032	75.16

Temporary Loans

<u>Investment</u>	<u>From</u>	<u>To</u>	<u>%</u>	<u>Interest</u>
£				£
-				-

The total amount temporarily invested at 30 June 2017 is £7.120m.

The balance in the Authority's Liquidity Manager Account (LMA) bank account as at 30 June 2017 is £4,255.05. 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 2017 to 30 June 2017.

This statement also gives a projected value of revenue reserves at 31 March 2018 based on the projections in Table 1.

Table 6

**HUMBERSIDE FIRE & RESCUE SERVICE
MOVEMENT IN REVENUE RESERVES
as at 30 June 2017**

	As at 1 April 2017 £'000	In Year Movements £'000	Projected Balance at 31 March 2018 £'000
General Reserve	5,373	(80) *	5,293
Earmarked Reserves			
Insurance	500	-	500
Change Management	500	-	500
Income From HFR Solutions	1,771	-	1,771
Capital Programme	2,104	(500)	1,604
Resilience Reserve	300	-	300
	<u>10,548</u>	<u>(580)</u>	<u>9,968</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 June 2017.

Budget Virements (transfer between lines) Processed

There have been no budget virements processed during the quarter ending 30th June 2017