



Management Accounts for the period ending 30th September 2020



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 2020 to 30 September 2020

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) as at 30 September 2020 compared to the profiled 2020/21 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 2020/21
1 April 2020 to 30 September 2020 (Period 06)

	Original Budget £'000	Revised Budget £'000	30 September 2020		Projection £'000	Full Year		Status	Note
			Profile £'000	Actual & Committed £'000		Variance			
						£'000	%		
Employees									
Wholtime Firefighters	25,127	25,186 *	12,655	12,443	25,036	(150)	(0.60)	Green	1
On-Call Firefighters	4,798	4,864 *	2,221	2,109	4,847	(17)	(0.35)	Green	1
Non-Operational	6,810	6,816 *	3,404	3,410	6,742	(74)	(1.09)	Green	2
Other Employee Expenses (Training, Occ Health, Insurance)	1,517	1,517	700	585	1,727	210	13.84	Red	3
Total Pay & Pensions	38,252	38,383	18,980	18,547	38,352	(31)	(0.08)		
Premises	2,660	2,678 *	2,600	2,604	2,620	(58)	(2.17)	Green	4
Transport	1,744	1,744	1,095	1,060	1,659	(85)	(4.87)	Green	5
Supplies & Services	3,850	4,163 *	2,554	2,317	3,908	(255)	(6.13)	Green	6
Support Services	204	204	103	44	274	70	34.31	Red	7
Total Expenditure	46,710	47,172	25,332	24,572	46,813	(359)	(0.76)		
Income	(4,001)	(4,779) *	(4,150)	(4,149)	(4,779)	-	-	Green	
Net Expenditure (Ex Capital Charges)	42,709	42,393	21,182	20,423	42,034	(359)	(0.85)		
Interest Payable	661	661	331	15	661	-	-	Green	
Interest Receivable	(60)	(60)	(30)	(14)	(40)	20	(33.33)	Red	8
Accounting Adjustments	1,915	2,101 *	-	-	2,230	129	6.14	Red	9
Contributions to / (from) Reserves	44	174 *	-	-	174	-	-	Green	
Net Budget Requirement	45,269	45,269	21,483	20,424	45,059	(210)	(0.46)	Green	
Financed By									
Business Rates	(3,915)	(3,915)	(1,957)	(2,371)	(3,915)	-	-		
National Non Domestic Rates	(17,104)	(17,104)	(9,748)	(9,748)	(17,104)	-	-		
Precepts	(24,250)	(24,250)	(12,360)	(12,361)	(24,250)	-	-		
	-	-	(2,582)	(4,056)	(210)	(210)	-		

*budgets increased to reflect additional spend and grant received from Government in relation to COVID19

Notes

1. This projected underspend is primarily due to the pay award for both wholetime and on-call firefighters being lower than anticipated.
2. This projected underspend is due to a higher than anticipated pay award for support staff which is offset by a number of vacant support roles.
3. This projected overspend is due to a higher level of ill health contribution to the Firefighters' Pension Fund as well as higher insurance costs.
4. This projected underspend is due to lower than anticipated Business Rate charges on our properties combined with lower property insurance premiums.
5. This projected underspend is due to BP offering free fuel to blue light services during the COVID19 pandemic. In addition to this there has been a lower level of officer travel as training courses and meetings have moved to a virtual delivery.
6. This projected underspend is due to spending less on issue, cleaning, repairs and replacement of uniforms due to not having a new recruits intake this year as well as lower incidents during COVID19 pandemic. In addition to this it is projected that the smoke alarm and hydrant maintenance budgets will not be fully utilised due to having a sufficient stock of smoke alarms and less hydrant maintenance required.
7. This projected overspend is due to ongoing mesothelioma claims.
8. This variance is due to lower interest rates than anticipated.
9. 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 30 September 2020 compared with the adjusted profiled 2020/21 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 2020/21
 1 April 2020 to 30 September 2020 (Period 06)

	Original Budget £'000	Revised Budget £'000	30 September 2020		Projection £'000	Full Year		Traffic Light Status	Note
			Profile £'000	Actual & Committed £'000		Variance			
						£'000	%		
SCHEME									
Building Works									
Invest to Save	260	402	161	-	402	-	-	Green	
Goole	-	387	155	-	200	(187)	(48.32)	Green	1
Scunthorpe	-	464	186	-	464	-	-	Green	
Bridlington	100	516	206	516	516	-	-	Green	
BA Training Refurbishment	-	18	7	-	18	-	-	Green	
Furniture & Equipment	-	87	35	-	87	-	-	Green	
HQ OTC	-	34	14	-	34	-	-	Green	
Dignity Works	-	168	67	-	168	-	-	Green	
Industrial Training Centre	-	657	263	657	657	-	-	Green	
Co-Location	-	97	39	-	15	(82)	(84.54)	Green	1
Cleethorpes	-	36	14	-	36	-	-	Green	
Howden	200	395	158	-	10	(385)	(97.47)	Green	1
Calvert	100	100	40	-	100	-	-	Green	
	660	3,361	1,345	1,173	2,707	(654)	(19.46)		
Vehicles									
Operational Vehicles	70	372	149	113	372	-	-	Green	
Support Vehicles	400	487	195	48	487	-	-	Green	
Equipment									
	227	278	111	-	278	-	-	Green	
PPE									
	400	1,400	560	-	-	(1,400)	(100.00)	Green	2
Information Technology									
	600	820	328	459	820	-	-	Green	
	2,357	6,718	2,688	1,793	4,664	(2,054)	(30.57)		

Notes

1. These works will not be completed until 2021/22.
2. The new PPE is unlikely to be rolled out during 2020/21.

Pensions Account Statement

The Authority has a revised budgeted deficit of £11.255m on this account for 2020/21. The deficit for the year is now projected to be £11.187m. This is a result of:

1. A higher level of ill health pension contributions.
2. A lower pay award has resulted in lower employee and employer pension contributions.

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 2021.

Table 3

**HUMBERSIDE FIRE & RESCUE SERVICE
PENSIONS ACCOUNT STATEMENT 2020/21
1 April 2020 to 30 September 2020 (Period 06)**

	Revised Budget £'000	30 September 2020		Projection £'000	Full Year		Note
		Profile £'000	Actual £'000		Variance £'000	%	
<u>Expenditure</u>							
Pension payments	16,670	9,724	9,697	16,670	-	-	
Commutations	2,855	1,427	1,186	2,855	-	-	
Transfer Values	100	50	-	100	-	-	
Total Pensions Expenditure	19,625	11,201	10,883	19,625	-	-	
<u>Income</u>							
Contributions							
Ill Health	(186)	(93)	-	(297)	(111)	59.68	1
Employee's	(2,462)	(1,231)	(1,202)	(2,449)	13	(0.53)	2
Employer's	(5,622)	(2,811)	(2,745)	(5,592)	30	(0.53)	2
	<u>(8,270)</u>	<u>(4,135)</u>	<u>(3,947)</u>	<u>(8,338)</u>	<u>(68)</u>	0.82	
Transfer Values	(100)	(50)	(75)	(100)	-	-	
Total Pensions Income	(8,370)	(4,185)	(4,022)	(8,438)	(68)	0.81	
Net Pensions Deficit/(Surplus) To be financed by HO grant	<u>11,255</u>	<u>7,016</u>	<u>6,861</u>	<u>11,187</u>	<u>(68)</u>	<u>(0.60)</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 2020 to 30 September 2020 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 30 September 2020

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	1,000,000.00					
301695	East Dunbartonshire Council	2,000,000.00	02/04/2020	02/07/2020	0.40	1,994.52	2,000,000.00
301705	DMO	1,000,000.00	21/07/2020	31/07/2020	0.01	2.74	1,000,000.00
301707	DMO	5,000,000.00	28/07/2020	31/07/2020	0.01	4.11	5,000,000.00
301708	DMO	3,650,000.00	28/07/2020	19/08/2020	0.01	22.00	3,650,000.00
301699	Thurrock Council	2,000,000.00	26/05/2020	26/08/2020	0.45	2,268.49	2,000,000.00
301706	Calderdale	1,000,000.00	27/07/2020	27/08/2020	0.02	16.99	1,000,000.00
301709	BOS	1,000,000.00	28/07/2020	28/08/2020	0.01	8.49	1,000,000.00
301710	DMO	2,750,000.00	19/08/2020	28/08/2020	0.01	6.78	2,750,000.00
301713	DMO	2,500,000.00	21/09/2020	30/09/2020	0.01	6.16	2,500,000.00
301712	Bank of Scotland	1,000,000.00	28/08/2020	28/10/2020	0.01	16.71	-
301704	Thurrock Council	2,000,000.00	26/08/2020	30/10/2020	0.12	427.40	-
301701	Royal Borough of Windsor & Maidenhead	2,000,000.00	19/08/2020	19/11/2020	0.09	453.70	-
301711	Bank of Scotland	1,000,000.00	27/08/2020	27/11/2020	0.05	126.03	-
301702	Cornwall Council	2,000,000.00	31/07/2020	30/11/2020	0.04	267.40	-
301703	Surrey County Council	2,000,000.00	31/07/2020	30/11/2020	0.04	267.40	-
						5,888.92	
Total Investments at 30 September 2020		13,000,000.00					

Summary of Interest Receipts

		<u>Projection</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>
		£	£	under/(over) £	
Accumulated interest on Investments to :	30/09/2020	30,000	13,704	16,296	54.32

Temporary Loans

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

The total amount temporarily invested at 30 September 2020 is £13.000m.

Movement in Revenue Reserves

This statement shows the movements on the revenue reserves for the period 1 April 2020 to 30 September 2020.

This statement also gives a projected value of revenue reserves at 31 March 2021 based on the projections in Table 1.

Table 5

**HUMBERSIDE FIRE & RESCUE SERVICE
MOVEMENT IN REVENUE RESERVES
as at 30 September 2020**

	As at 1 April 2020 £'000	In Year Movements £'000	Projected Balance at 31 March 2021 £'000
General Reserve	5,758	254 *	6,012
Earmarked Reserves			
Insurance	500	-	500
The Ark - National Flood Resilience Centre	1,000	-	1,000
Capital Programme	3,000	-	3,000
Resilience Reserve	300	-	300
ESMCP	373	-	373
COVID	-	130	130
	10,931	384	11,315

*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 2020.

Budget Virements (transfer between lines) Processed

There were no budget virements processed during the period to 30th September 2020.