



Management Accounts for the period ending 30th June 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 30 June 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 30 June 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 30 June 2019 (Period 03)

| | Original Budget £'000 | Revised Budget £'000 | 30 June 2019 | | Projection £'000 | Full Year | | Status | Note |
|--|--------------------------|-------------------------|------------------|-----------------------------|---------------------|---------------------|-------------|------------|------|
| | | | Profile £'000 | Actual & Committed £'000 | | Projection £'000 | Variance | | |
| | | | | | | £'000 | % | | |
| Employees | | | | | | | | | |
| Wholetime | 22,980 | 25,498 | 6,375 | 6,477 | 25,798 | 300 | 1.18 | Red | 1 |
| Retained | 4,199 | 4,602 | 980 | 1,016 | 4,642 | 40 | 0.87 | Red | 1 |
| Non-Operational | 6,328 | 6,439 | 1,609 | 1,527 | 6,239 | (200) | (3.11) | Green | 1 |
| Other Employee Expenses (Training, Occ Health, Insurance) | 1,535 | 1,535 | 432 | 348 | 1,535 | - | - | Green | |
| Total Pay & Pensions | 35,042 | 38,074 | 9,396 | 9,368 | 38,214 | 140 | 0.37 | | |
| Premises | 2,676 | 2,676 | 1,347 | 871 | 2,661 | (15) | (0.56) | Green | 2 |
| Transport | 1,664 | 1,664 | 447 | 136 | 1,664 | - | - | Green | |
| Supplies & Services | 3,283 | 3,283 | 822 | 2,104 | 3,543 | 260 | 7.92 | Red | 3 |
| Support Services | 204 | 204 | 51 | 1 | 204 | - | - | Green | |
| Non Pay Efficiency Savings | (173) | (173) | (43) | - | (173) | - | - | Green | |
| Total Expenditure | 42,696 | 45,728 | 12,020 | 12,480 | 46,113 | 385 | 0.84 | | |
| Income | (1,469) | (4,501) | (3,032) | (3,006) | (4,501) | - | - | Green | |
| Net Expenditure (Ex Capital Charges) | 41,227 | 41,227 | 8,988 | 9,474 | 41,612 | 385 | 0.93 | | |
| Interest Payable | 635 | 635 | - | 31 | 635 | - | - | Green | |
| Interest Receivable | (50) | (50) | (13) | (10) | (50) | - | - | Green | |
| Accounting Adjustments | 1,777 | 1,777 | - | - | 1,777 | - | - | Green | |
| Contributions to / (from) Reserves | (13) | (13) | - | - | (13) | - | - | Green | |
| Net Budget Requirement | 43,576 | 43,576 | 8,975 | 9,495 | 43,961 | 385 | 0.88 | Red | |
| Financed By | | | | | | | | | |
| Business Rates | (3,476) | (3,476) | (869) | (829) | (3,476) | - | - | | |
| National Non Domestic Rates | (16,830) | (16,830) | (5,876) | (5,876) | (16,830) | - | - | | |
| Precepts | (23,270) | (23,270) | (6,025) | (6,053) | (23,270) | - | - | | |
| | - | - | (3,795) | (3,263) | 385 | 385 | - | | |

Table 2

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2019/20
 1 April 2019 to 30 June 2019 (Period 03)

| | Original Budget £'000 | Revised Budget £'000 | 30 June 2019 | | Full Year | | | Status | Note |
|--|--------------------------|-------------------------|------------------|-----------------------------|---------------------|--------------|---------------|--------------|------|
| | | | Profile £'000 | Actual & Committed £'000 | Projection £'000 | Variance | | | |
| | | | | | | £'000 | % | | |
| Safety | | | | | | | | | |
| Expenditure | | | | | | | | | |
| Employees | | | | | | | | | |
| Wholetime | 852 | 938 * | 235 | 233 | 964 | 26 | 2.77 | Red | 1 |
| Retained | 13 | 13 | 3 | 3 | 13 | - | - | Green | |
| Non-Operational | 2,247 | 2,247 | 562 | 493 | 2,047 | (200) | (8.90) | Green | 1 |
| Indirect Employees | 48 | 48 | 12 | 22 | 48 | - | - | Green | |
| Premises | - | - | - | - | - | - | - | Green | |
| Transport | - | - | - | - | - | - | - | Green | |
| Supplies and Services | 267 | 267 | 67 | 130 | 237 | (30) | (11.24) | Green | 3 |
| Non Pay Efficiency Savings | (8) | (8) | (2) | - | (8) | - | - | Green | |
| Total Expenditure | 3,419 | 3,505 | 877 | 881 | 3,301 | (204) | (5.82) | | |
| Income | (101) | (101) | (25) | (104) | (101) | - | - | Green | |
| Net Expenditure | 3,318 | 3,404 | 852 | 777 | 3,200 | (204) | (5.99) | | |
| Fire Fighting & Rescue Operations | | | | | | | | | |
| Expenditure | | | | | | | | | |
| Employees | | | | | | | | | |
| Wholetime | 18,236 | 20,318 * | 5,079 | 5,044 | 20,436 | 118 | 0.58 | Red | 1 |
| Control | 1,227 | 1,227 | 307 | 293 | 1,227 | - | - | Green | |
| Retained | 4,186 | 4,589 * | 977 | 1,013 | 4,629 | 40 | 0.87 | Red | 1 |
| Non-Operational | 138 | 138 | 34 | 34 | 138 | - | - | Green | |
| Indirect Employees | 70 | 70 | 18 | 13 | 70 | - | - | Green | |
| Premises | 733 | 733 | 733 | 718 | 719 | (14) | (1.91) | Green | 2 |
| Transport | - | - | - | - | - | - | - | Green | |
| Supplies and Services | 1,183 | 1,183 | 296 | 828 | 1,183 | - | - | Green | |
| Non Pay Efficiency Savings | (35) | (35) | (9) | - | (35) | - | - | Green | |
| Total Expenditure | 25,738 | 28,223 | 7,435 | 7,943 | 28,367 | 144 | 0.51 | | |
| Income | (358) | (3,215) * | (2,711) | (337) | (3,215) | - | - | Green | |
| Net Expenditure | 25,380 | 25,008 | 4,724 | 7,606 | 25,152 | 144 | 0.58 | | |
| Management & Support Services | | | | | | | | | |
| Expenditure | | | | | | | | | |
| Employees | | | | | | | | | |
| Wholetime | 2,665 | 3,015 * | 754 | 907 | 3,171 | 156 | 5.17 | Red | 1 |
| Non-Operational | 3,943 | 4,054 * | 1,013 | 1,000 | 4,054 | - | - | Green | |
| Other Pension Costs | 607 | 607 | 152 | 38 | 607 | - | - | Green | |
| Indirect Employees | 623 | 623 | 156 | 178 | 623 | - | - | Green | |
| Employee Related Insurances | 187 | 187 | 94 | 97 | 187 | - | - | Green | |
| Premises | 1,943 | 1,943 | 614 | 153 | 1,942 | (1) | (0.05) | Green | 2 |
| Transport | 1,660 | 1,660 | 446 | 135 | 1,660 | - | - | Green | |
| Supplies and Services | 1,652 | 1,652 | 414 | 1,109 | 1,942 | 290 | 17.55 | Red | 3 |
| Support Services | 199 | 199 | 50 | - | 199 | - | - | Green | |
| Non Pay Efficiency Savings | (130) | (130) | (32) | - | (130) | - | - | Green | |
| Total Expenditure | 13,349 | 13,810 | 3,661 | 3,617 | 14,255 | 445 | 3.22 | | |
| Income | (1,010) | (1,185) * | (296) | (2,565) | (1,185) | - | - | Green | |
| Net Expenditure | 12,339 | 12,625 | 3,365 | 1,052 | 13,070 | 445 | 3.52 | | |

Cont...

Table 2 Cont...

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2019/20
 1 April 2019 to 30 June 2019 (Period 03)

| | Original Budget £'000 | Revised Budget £'000 | 30 June 2019 | | Projection £'000 | Full Year Variance | | Status | Note |
|---|--------------------------|-------------------------|------------------|-----------------------------|---------------------|-----------------------|----------|--------|------|
| | | | Profile £'000 | Actual & Committed £'000 | | £'000 | % | | |
| Democratic Representation & Management Expenditure | | | | | | | | | |
| Transport | 4 | 4 | 1 | 1 | 4 | - | - | Green | |
| Supplies and Services | 148 | 148 | 37 | 31 | 148 | - | - | Green | |
| Net Expenditure | 152 | 152 | 38 | 32 | 152 | - | - | | |
| Corporate Management Expenditure | | | | | | | | | |
| Supplies and Services | 33 | 33 | 8 | 6 | 33 | - | - | Green | |
| Support Services | 5 | 5 | 1 | 1 | 5 | - | - | Green | |
| Net Expenditure | 38 | 38 | 9 | 7 | 38 | - | - | | |
| Net Expenditure (excluding Capital Charges) | 41,227 | 41,227 | 8,988 | 9,474 | 41,612 | 385 | 0.93 | | |
| Interest Payable | 635 | 635 | - | 31 | 635 | - | - | Green | |
| Interest Receivable | (50) | (50) | (13) | (10) | (50) | - | - | Green | |
| Accounting Adjustments | 1,777 | 1,777 | - | - | 1,777 | - | - | Green | |
| Contributions to / (from) Reserves | (13) | (13) | - | - | (13) | - | - | Green | |
| Net Budget Requirement | 43,576 | 43,576 | 8,975 | 9,495 | 43,961 | 385 | 0.88 | Red | |
| Financed by : | | | | | | | | | |
| Business Rates | (3,476) | (3,476) | (869) | (829) | (3,476) | - | - | Green | |
| NNDR | (16,830) | (16,830) | (5,876) | (5,876) | (16,830) | - | - | Green | |
| Precepts | (23,270) | (23,270) | (6,025) | (6,053) | (23,270) | - | - | Green | |
| | - | - | (3,795) | (3,263) | 385 | 385 | | | |

* Budgets increased to reflect expenditure and income in relation to the Falls team and other secondments plus increased Firefighter pension contributions rates which have been met by grant from Government.

Notes

1. This overspend is primarily due to the earlier recruitment of firefighters than was 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 as well as a number of vacant support role posts.
2. This projected underspend is primarily due to lower business rate charges on our buildings.
3. This projected overspend is a combination of an underspend on smoke alarms as well as the purchase of additional IT equipment and software.

Capital Statement

This report shows the actual and committed capital expenditure as at 30 June 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 3

**HUMBERSIDE FIRE & RESCUE SERVICE
CAPITAL MONITORING STATEMENT 2019/20
1 April 2019 to 30 June 2019 (Period 03)**

| SCHEME | Original Budget £'000 | Revised Budget £'000 | 30 June 2019 | | Projection £'000 | Full Year | | Traffic Light Status | Note |
|-------------------------------|--------------------------|-------------------------|------------------|-----------------------------|---------------------|-----------|---|----------------------|------|
| | | | Profile £'000 | Actual & Committed £'000 | | Variance | | | |
| | | | | | | £'000 | % | | |
| Building Works | | | | | | | | | |
| Invest to Save | - | 142 | 14 | - | 142 | - | - | Green | |
| Goole | 300 | 400 | 40 | - | 400 | - | - | Green | |
| Scunthorpe | 400 | 500 | 50 | - | 500 | - | - | Green | |
| Bridlington | - | 450 | 45 | - | 450 | - | - | Green | |
| BA Training Refurbishment | - | 23 | 2 | 4 | 23 | - | - | Green | |
| HQ Phase 2 | - | 78 | 8 | - | 78 | - | - | Green | |
| HQ OTC | - | 132 | 13 | - | 132 | - | - | Green | |
| Dignity Works | 435 | 671 | 67 | - | 671 | - | - | Green | |
| Industrial Training Centre | 250 | 803 | 80 | - | 803 | - | - | Green | |
| Co-Location | 50 | 100 | 10 | - | 100 | - | - | Green | |
| Cleethorpes | 85 | 85 | 9 | - | 85 | - | - | Green | |
| Howden | 200 | 200 | 20 | - | 200 | - | - | Green | |
| Block Allocation | 80 | 80 | 8 | - | 80 | - | - | Green | |
| | 1,800 | 3,664 | 366 | 4 | 3,664 | - | - | | |
| Vehicles | | | | | | | | | |
| Operational Vehicles | 450 | 450 | 45 | 25 | 450 | - | - | Green | |
| Support Vehicles | 370 | 499 | 50 | - | 499 | - | - | Green | |
| Equipment | 69 | 69 | 7 | - | 69 | - | - | Green | |
| PPE | 1,000 | 1,000 | 100 | - | 1,000 | - | - | Green | |
| Information Technology | 675 | 926 | 93 | 33 | 926 | - | - | Green | |
| | 4,364 | 6,608 | 661 | 62 | 6,608 | - | - | | |

* the revised budget includes £2.244m of slippage from the previous year's Capital Programme as agreed by the Fire Authority at its meeting on 28 June 2019.

Pensions Account Statement

The Authority has a revised budgeted deficit of £11.519m on this account for 2019/20. The deficit for the year is now projected to be £10.458m. This is a result of:

1. Slower rate of retirements has resulted in lower pension payments, lower commutations payments and higher 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 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 2020.

Table 4

**HUMBERSIDE FIRE & RESCUE SERVICE
PENSIONS ACCOUNT STATEMENT 2019/20
1 April 2019 to 30 June 2019 (Period 03)**

| | Revised Budget £'000 | 30 June 2019 | | Projection £'000 | Full Year | | Note |
|--|----------------------------|------------------|-----------------|---------------------|----------------|---------------|------|
| | | Profile £'000 | Actual £'000 | | Variance | | |
| | | | | | £'000 | % | |
| <u>Expenditure</u> | | | | | | | |
| Pension payments | 16,937 | 5,646 | 5,297 | 16,192 | (745) | (4.40) | 1 |
| Commutations | 2,971 | 743 | 1,351 | 2,791 | (180) | (6.06) | 1 |
| Total Pensions Expenditure | 19,908 | 6,389 | 6,648 | 18,983 | (925) | (4.65) | |
| <u>Income</u> | | | | | | | |
| Contributions | | | | | | | |
| Ill Health | (120) | (30) | - | (120) | - | - | |
| Employee's | (2,429) | (607) | (2,246) | (2,511) | (82) | 3.38 | 1 |
| Employer's | (5,740) | (1,435) | (2,738) | (5,794) | (54) | 0.94 | 1 |
| | (8,289) | (2,072) | (4,984) | (8,425) | (136) | 1.64 | |
| Transfer Values | (100) | (25) | (70) | (100) | - | - | |
| Total Pensions Income | (8,389) | (2,097) | (5,054) | (8,525) | (136) | 1.62 | |
| Net Pensions Deficit/(Surplus) To be financed by HO grant | 11,519 | 4,292 | 1,594 | 10,458 | (1,061) | (9.21) | |

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 30 June 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 5

**HUMBERSIDE FIRE & RESCUE SERVICE
BORROWING AND LENDING ACTIVITY STATEMENT
For the Period Ending 30 June 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 | 1,000,000.00 | | | | | |
| 301671 | Thurrock Council | 1,000,000.00 | 01/04/2019 | 01/05/2019 | 0.70 | 575.34 | 1,000,000.00 |
| 301674 | DMO | 1,400,000.00 | 21/05/2019 | 31/05/2019 | 0.50 | 191.78 | 1,400,000.00 |
| 301670 | BOS | 1,500,000.00 | 29/03/2019 | 28/06/2019 | 0.90 | 3,365.75 | 1,500,000.00 |
| 301676 | DMO | 1,000,000.00 | 17/06/2019 | 28/06/2019 | 0.50 | 150.68 | 1,000,000.00 |
| 301672 | BOS | 500,000.00 | 20/05/2019 | 20/08/2019 | 0.90 | 1,134.25 | - |
| 301673 | Barclays | 1,000,000.00 | 20/05/2019 | 20/08/2019 | 0.64 | 1,613.15 | - |
| 301675 | Thurrock Council | 2,000,000.00 | 07/06/2019 | 09/09/2019 | 0.75 | 3,863.01 | - |
| | | | | | | 10,893.96 | |
| Total Investments at 30 June 2019 | | 6,500,000.00 | | | | | |

Summary of Interest Receipts

| | | Projection £ | Actual £ | Variance under/(over) £ | % |
|--|------------|-----------------|-------------|-------------------------------|-------|
| Accumulated interest on Investments to : | 30/06/2019 | 12,501 | 9,659 | 2,842 | 22.74 |

Temporary Loans

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

The total amount temporarily invested at 30 June 2019 is £6.500m.

The balance in the Authority's Liquidity Manager Account (LMA) bank account as at 30 June 2019 is £86,500.20. 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 30 June 2019.

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

Table 6

**HUMBERSIDE FIRE & RESCUE SERVICE
MOVEMENT IN REVENUE RESERVES
as at 30 June 2019**

| | As at 1 April 2019 £'000 | In Year Movements £'000 | Projected Balance at 31 March 2020 £'000 |
|--|--------------------------------|-------------------------------|--|
| General Reserve | 5,251 | (398) * | 4,853 |
| 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 |
| | <u>10,189</u> | <u>(398)</u> | <u>9,791</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 2019.

Budget Virements (transfer between lines) Processed



There were no budget virements processed during the period to 30th June 2019.