



Management Accounts for the period ending 31st December 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 31 December 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 31 December 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 December 2020 (Period 09)

	Original Budget £'000	Revised Budget £'000	31 December 2020		Projection £'000	Full Year		Status	Note
			Profile £'000	Actual & Committed £'000		Variance £'000	%		
Employees									
Wholetime Firefighters	25,127	24,982 *	18,779	18,781	24,832	(150)	(0.60)	Green	1
On-Call Firefighters	4,798	4,869 *	3,421	3,274	4,632	(237)	(4.87)	Green	1
Non-Operational	6,810	6,946 *	5,107	4,924	6,857	(89)	(1.28)	Green	2
Other Employee Expenses (Training, Occ Health, Insurance)	1,517	1,517	1,099	866	1,751	234	15.43	Red	3
Total Pay & Pensions	38,252	38,314	28,406	27,845	38,072	(242)	(0.63)		
Premises	2,660	2,678 *	2,240	2,661	2,620	(58)	(2.17)	Green	4
Transport	1,744	1,744	1,341	1,543	1,586	(158)	(9.06)	Green	5
Supplies & Services	3,850	4,169 *	2,886	2,985	3,818	(351)	(8.42)	Green	6
Support Services	204	204	154	180	274	70	34.31	Red	7
Total Expenditure	46,710	47,109	35,027	35,214	46,370	(739)	(1.57)		
Income	(4,001)	(4,619) *	(2,765)	(4,662)	(4,948)	(329)	7.12	Green	8
Net Expenditure (Ex Capital Charges)	42,709	42,490	32,262	30,552	41,422	(1,068)	(2.51)		
Interest Payable	661	661	331	286	626	(35)	(5.30)	Green	9
Interest Receivable	(60)	(60)	(45)	(16)	(20)	40	(66.67)	Red	10
Accounting Adjustments	1,915	2,101 *	-	-	1,470	(631)	(30.03)	Green	11
Contributions to / (from) Reserves	44	77 *	-	-	1,462	1,385	1,798.70	Red	12
Net Budget Requirement	45,269	45,269	32,548	30,822	44,960	(309)	(0.68)	Green	
Financed By									
Business Rates	(3,915)	(3,915)	(2,936)	(3,140)	(3,915)	-	-		
National Non Domestic Rates	(17,104)	(17,104)	(13,425)	(13,425)	(17,104)	-	-		
Precepts	(24,250)	(24,250)	(18,305)	(18,308)	(24,250)	-	-		
	-	-	(2,118)	(4,051)	(309)	(309)	-		

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

Notes

1. This projected underspend is due to the pay award for both wholetime and on-call firefighters being lower than anticipated as well as lower callout costs for on-call staff.
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. In addition to this there has been less spent on course fees due to the impact of COVID19.
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 PPE. The uniform replacement programme funding has been slipped into 2021/22. 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 additional income is primarily due to additional grants from Government in relation to Protection and Grenfell with any unspent grant to be slipped into 2021/22.
9. No additional borrowing taken during the year has resulted in lower interest payments.
10. This variance is due to lower interest rates than anticipated.
11. This underspend is primarily due to the change of method used when calculating the Authority's Minimum Revenue Provision (MRP) as agreed Members in December 2020.
12. This variance is due to transfers to reserves for:
 - Uniforms (see note 6);
 - Protection and Grenfell (see note 8);
 - Transferring the saving from MRP (see note 11);
 - East Coast and Hertfordshire Control Room Consortium anticipated part contribution to 2021/22 infrastructure replacement cost.

Capital Statement

This report shows the actual and committed capital expenditure as at 31 December 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 31 December 2020 (Period 09)

SCHEME	Original Budget £'000	Revised Budget £'000	31 December 2020		Projection £'000	Full Year		Traffic Light Status	Note
			Profile	Actual & Committed		Variance			
			£'000	£'000		£'000	%		
Building Works									
Invest to Save	260	402	161	35	402	-	-	Green	
Goole	-	387	155	-	25	(362)	(93.54)	Green	1
Scunthorpe	-	464	186	6	464	-	-	Green	
Bridlington	100	516	206	516	441	(75)	(14.53)	Green	1
BA Training Refurbishment	-	18	7	-	18	-	-	Green	
Furniture & Equipment	-	87	35	-	87	-	-	Green	
HQ OTC	-	34	14	-	34	-	-	Green	
Dignity Works	-	168	67	127	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	-	25	(75)	(75.00)	Green	1
	660	3,361	1,345	1,341	2,382	(979)	(29.13)		
Vehicles									
Operational Vehicles	70	372	149	146	146	(226)	(60.75)	Green	2
Support Vehicles	400	487	195	70	70	(417)	(85.63)	Green	2
Equipment	227	278	111	5	5	(273)	(98.20)	Green	2
PPE	400	1,400	560	-	-	(1,400)	(100.00)	Green	3
Information Technology	600	820	328	596	820	-	-	Green	
	2,357	6,718	2,688	2,158	3,423	(3,295)	(49.05)		

Notes

1. These works will not be completed until 2021/22.
2. The purchase of some of the vehicles and equipment will not be delivered until 2021/22.
3. The new PPE will not 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 £11.198m. This is a result of:

1. A higher level of ill health pension contributions.
2. A combination of a lower pay award, fewer incidents and fewer staff in the Firefighters Pension Scheme than anticipated 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 31 December 2020 (Period 09)

	Revised Budget £'000	31 December 2020		Projection £'000	Full Year		Note
		Profile £'000	Actual £'000		Variance		
					£'000	%	
<u>Expenditure</u>							
Pension payments	16,670	13,892	13,865	16,670	-	-	
Commutations	2,855	2,141	2,041	2,855	-	-	
Transfer Values	100	75	-	100	-	-	
Total Pensions Expenditure	19,625	16,108	15,906	19,625	-	-	
<u>Income</u>							
Contributions							
Ill Health	(186)	(139)	-	(431)	(245)	131.72	1
Employee's	(2,462)	(1,846)	(1,803)	(2,403)	59	(2.40)	2
Employer's	(5,622)	(4,217)	(4,113)	(5,493)	129	(2.29)	2
	(8,270)	(6,202)	(5,916)	(8,327)	(57)	0.69	
Transfer Values	(100)	(75)	(87)	(100)	-	-	
Total Pensions Income	(8,370)	(6,277)	(6,003)	(8,427)	(57)	0.68	
Net Pensions Deficit/(Surplus) To be financed by HO grant	11,255	9,831	9,903	11,198	(57)	(0.51)	

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 31 December 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 31 December 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					
301712	BOS	1,000,000.00	28/08/2020	28/10/2020	0.01	16.71	1,000,000.00
301704	Thurrock Council	2,000,000.00	26/08/2020	30/10/2020	0.12	427.40	2,000,000.00
304714	DMO	1,000,000.00	21/10/2020	04/11/2020	0.00	-	1,000,000.00
301701	Royal Borough of Windsor & Maidenhead	2,000,000.00	19/08/2020	19/11/2020	0.09	453.70	2,000,000.00
301711	BOS	1,000,000.00	27/08/2020	27/11/2020	0.05	126.03	1,000,000.00
301702	Cornwall Council	2,000,000.00	31/07/2020	30/11/2020	0.04	267.40	2,000,000.00
301703	Surrey County Council	2,000,000.00	31/07/2020	30/11/2020	0.04	267.40	2,000,000.00
304717	DMO	2,400,000.00	19/11/2020	03/12/2020	0.00	-	2,400,000.00
301719	Hull City Council	2,000,000.00	21/12/2020	24/12/2020	0.00	-	2,000,000.00
301715	Thurrock Council	2,000,000.00	30/10/2020	29/01/2021	0.06	299.18	-
301716	Cornwall Council	2,000,000.00	30/11/2020	26/02/2021	0.02	96.44	-
301718	Coventry BS	2,000,000.00	03/12/2020	03/03/2021	0.03	147.95	-
						2,102.19	
Total Investments at 31 December 2020		9,000,000.00					

Summary of Interest Receipts

		Projection £	Actual £	Variance under/(over) £	%
Accumulated interest on Investments to :	30/09/2020	45,000	15,544	29,456	65.46

Temporary Loans

Investment £	From	To	%	Interest £
-				-

The total amount temporarily invested at 31 December 2020 is £9.000m.

Movement in Revenue Reserves

This statement shows the movements on the revenue reserves for the period 1 April 2020 to 31 December 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 31 December 2020**

	As at 1 April 2020 £'000	In Year Movements £'000	Projected Balance at 31 March 2021 £'000
General Reserve	5,758	353 *	6,111
Earmarked Reserves			
Insurance	500	-	500
The Ark - National Flood Resilience Centre	1,000	-	1,000
Capital Programme	3,000	760	3,760
Resilience Reserve	300	-	300
ESMCP	373	(58)	315
Grenfell and Protection	-	100	100
East Coast & Hertfordshire Control Room Consortium	-	400	400
Uniform Replacement Programme	-	150	150
COVID	-	33	33
	10,931	1,738	12,669

*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 2020.

Budget Virements (transfer between lines) Processed

There were no budget virements processed during the period to 31st December 2020.