



Management Accounts and Prudential Indicators for the period ending 31st January 2014



HUMBERSIDE
Fire & Rescue Service

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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:-

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 2013 to 31 January 2014

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 January 2014 compared to the profiled 2013/14 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 2013/14
1 April 2013 to 31 January 2014 (Period 10)

	Original Budget £'000	Revised Budget £'000	31 January 2014		Full Year			Traffic Light		Note
			Profile £'000	Actual & Committed £'000	Projection £'000	Variance £'000 %		Status	Direction	
Employees										
Wholetime	26,695	26,810	22,324	22,149	26,590	(220)	(0.82)	Green	Amber	1
Retained	3,783	3,783	2,951	2,562	3,413	(370)	(9.78)	Green	Amber	2
Support	6,163	6,059	5,071	4,806	5,819	(240)	(3.96)	Green	Amber	3
Other Employee Expenses (Training, Occ Health, Insurance)	1,372	1,440	1,117	1,362	1,630	190	13.19	Red	Amber	4
Total Pay & Pensions	38,013	38,092	31,463	30,879	37,452	(640)	(1.68)			
Premises	2,168	2,223	1,946	1,817	2,208	(15)	(0.67)	Green	Amber	5
Transport	1,169	1,145	989	911	1,064	(81)	(7.07)	Green	Green	6
Supplies & Services	3,519	3,553	3,077	3,056	3,579	26	0.73	Red	Amber	7
Support Services	130	130	74	113	280	150	115.38	Red	Amber	8
Total Expenditure	44,999	45,143	37,549	36,776	44,583	(560)	(1.24)			
Income	(521)	(546)	(449)	(1,317)	(1,026)	(480)	87.91	Green	Amber	9
Net Expenditure (Ex Capital Charges)	44,478	44,597	37,100	35,459	43,557	(1,040)	(2.33)			
Interest Payable	996	996	470	627	876	(120)	(12.05)	Green	Amber	10
Interest Receivable	(50)	(50)	(42)	(89)	(160)	(110)	220.00	Green	Amber	11
Contingency	35	-	-	-	-	-	-	Green	Amber	
Accounting Adjustments	978	1,532	(657)	(1,781)	1,532	-	-	Green	Amber	
Contributions to /(from) Reserves	5	(633)	-	-	(633)	-	-	Green	Amber	
Net Budget Requirement	46,442	46,442	36,871	34,216	45,172	(1,270)	(2.73)	Green	Red	
Financed By										
Council Tax Funding	(3,815)	(3,815)	(3,179)	(3,191)	(3,815)	-	-			
Business Rates	(3,101)	(3,101)	(2,584)	(2,625)	(3,101)	-	-			
National Non Domestic Rates	(20,550)	(20,550)	(13,303)	(13,278)	(20,550)	-	-			
Precepts	(18,976)	(18,976)	(15,839)	(15,908)	(18,976)	-	-			
	-	-	1,966	(786)	(1,270)	(1,270)	-			

Table 2

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2013/14
 1 April 2013 to 31 January 2014 (Period 10)

	Original Budget £'000	Revised Budget £'000	31 January 2014		Projection £'000	Full Year		Traffic Light		Note
			Profile £'000	Actual & Committed £'000		Variance		Status	Direction	
						£'000	%			
Community Fire Safety Expenditure										
Employees										
Wholetime	1,226	1,226	1,022	852	1,226	-	-	Green	Amber	
Retained	76	76	63	25	76	-	-	Green	Amber	
Support	1,938	1,834	1,529	1,356	1,724	(110)	(6.00)	Green	Amber	3
Indirect Employees	9	47	40	29	47	-	-	Green	Amber	
Premises	1	26	-	27	26	-	-	Green	Amber	
Transport	7	23	19	15	23	-	-	Green	Amber	
Supplies and Services	306	348	291	167	348	-	-	Green	Amber	
Total Expenditure	3,563	3,580	2,964	2,471	3,470	(110)	(3.07)			
Income	(63)	(88)	(53)	(264)	(88)	-	-	Green	Amber	
Net Expenditure	3,500	3,492	2,911	2,207	3,382	(110)	(3.15)			
Fire Fighting & Rescue Operations Expenditure										
Employees										
Wholetime	21,502	21,617	17,996	17,823	21,397	(220)	(1.02)	Green	Amber	1
Control	1,242	1,242	1,035	1,027	1,242	-	-	Green	Amber	
Retained	3,707	3,707	2,888	2,537	3,337	(370)	(9.98)	Green	Amber	2
Support	158	158	132	98	158	-	-	Green	Amber	
Indirect Employees	19	19	16	40	19	-	-	Green	Amber	
Premises	1,278	1,299	1,160	1,274	1,284	(15)	(1.15)	Green	Amber	5
Transport	17	27	21	16	27	-	-	Green	Amber	
Supplies and Services	1,263	879	869	839	879	-	-	Green	Amber	
Total Expenditure	29,186	28,948	24,117	23,654	28,343	(605)	(2.09)			
Income	(305)	(305)	(277)	(577)	(305)	-	-	Green	Amber	
Net Expenditure	28,881	28,643	23,840	23,077	28,038	(605)	(2.11)			
Management & Support Services Expenditure										
Employees										
Wholetime	2,725	2,725	2,271	2,447	2,725	-	-	Green	Amber	
Support	4,067	4,067	3,410	3,352	3,937	(130)	(3.20)	Green	Amber	3
Other Pension Costs	589	589	394	409	589	-	-	Green	Amber	
Indirect Employees	554	584	466	683	774	190	32.53	Red	Amber	4
Employee Related Insurances	201	201	201	201	201	-	-	Green	Amber	
Premises	889	898	786	516	898	-	-	Green	Amber	
Transport	1,141	1,091	945	875	1,010	(81)	(7.42)	Green	Green	6
Supplies and Services	1,721	2,127	1,751	1,881	2,153	26	1.22	Red	Amber	7
Support Services	125	125	74	113	275	150	120.00	Red	Amber	8
Contingency	35	-	-	-	-	-	-	Green	Amber	
Total Expenditure	12,047	12,407	10,298	10,477	12,562	155	1.25			
Income	(153)	(153)	(119)	(476)	(633)	(480)	313.73	Green	Amber	9
Net Expenditure	11,894	12,254	10,179	10,001	11,929	(325)	(2.65)			
Democratic Representation & Management Expenditure										
Transport	4	4	4	5	4	-	-	Green	Amber	
Supplies and Services	157	157	131	126	157	-	-	Green	Amber	
Support Services	-	-	-	-	-	-	-	Green	Amber	
Net Expenditure	161	161	135	131	161	-	-			

Cont...

Table 2 Cont...

HUMBERSIDE FIRE & RESCUE SERVICE
REVENUE MONITORING STATEMENT 2013/14
 1 April 2013 to 31 January 2014 (Period 10)

	Original Budget £'000	Revised Budget £'000	31 January 2014		Projection £'000	Full Year		Traffic Light		Note
			Profile £'000	Actual & Committed £'000		Variance		Status	Direction	
Corporate Management Expenditure										
Supplies and Services	72	42	35	43	42	-	-	Green	Amber	
Support Services	5	5	-	-	5	-	-	Green	Amber	
Net Expenditure	77	47	35	43	47	-	-			
Net Expenditure (excluding Capital Charges)	44,513	44,597	37,100	35,459	43,557	(1,040)	(2.33)			
Interest Payable	996	996	470	627	876	(120)	(12.05)	Green	Amber	10
Interest Receivable	(50)	(50)	(42)	(89)	(160)	(110)	220.00	Green	Amber	11
Accounting Adjustments	978	1,532	(657)	(1,781)	1,532	-	-	Green	Amber	
Contributions to / (from) Reserves	5	(633)	-	-	(633)	-	-	Green	Amber	
Net Budget Requirement	46,442	46,442	36,871	34,216	45,172	(1,270)	(2.73)	Green	Red	
Financed by :										
Council Tax Funding	(3,815)	(3,815)	(3,179)	(3,191)	(3,815)	-	-	Green	Amber	
Business Rates	(3,101)	(3,101)	(2,584)	(2,625)	(3,101)	-	-	Green	Amber	
NNDR	(20,550)	(20,550)	(13,303)	(13,278)	(20,550)	-	-	Green	Amber	
Precepts	(18,976)	(18,976)	(15,839)	(15,908)	(18,976)	-	-	Green	Amber	
	-	-	1,966	(786)	(1,270)	(1,270)				

Notes

1. This projected underspend is due to a reduction in the number of supernumeraries following retirements and secondments.
2. This projected underspend is due to lower activity levels than anticipated.
3. This projected underspend is due to a number of vacant posts.
4. This is due to additional costs incurred by using agency staff to cover support vacancies.
5. Business rate charges for 2013/14 are slightly lower than anticipated.
6. This projected underspend relates to various transport costs including officer travel and maintenance of vehicles which is offset by a slight increase in vehicle insurance premiums.
7. This projected overspend is due to spending less on subsistence which is offset by additional costs associated with the WAN.
8. Additional legal fees have created this projected overspend.
9. Additional income as a result of employees of the service currently seconded to the CIC and government departments.
10. This projected underspend on interest payable is due to having less external debt than anticipated.
11. This variance is due to more investment income than anticipated as a result of higher cash balances.

Capital Statement

This report shows the actual and committed capital expenditure as at 31 January 2014 compared with the adjusted profiled 2013/14 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 2013/14
1 April 2013 to 31 January 2014 (Period 10)**

SCHEME	Original Budget	Revised Budget	31 January 2014		Full Year		Traffic Light		Note	
	£'000		Profile	Actual & Committed	Projection	Variance		Status		Direction
						£'000	£'000			
Building Works										
Invest to Save	200	200	100	23	160	(40)	(20.00)	Green	Amber	1
Immingham West	-	50	10	1	50	-	-	Green	Amber	
Workshops Relocation	-	1,997	-	-	-	(1,997)	(100.00)	Green	Amber	2
Control Refurbishment	-	791	791	761	791	-	-	Green	Amber	
Clough Road	-	3,650	350	333	1,000	(2,650)	(72.60)	Green	Amber	3
Training Infrastructure	-	650	-	-	150	(500)	(76.92)	Green	Amber	4
	200	7,338	1,251	1,118	2,151	(5,187)	(70.69)			
Vehicles										
Operational Vehicles	1,431	1,479	1,200	1,201	1,229	(250)	(16.90)	Green	Amber	5
Support Vehicles	319	357	348	333	327	(30)	(8.40)	Green	Amber	6
Equipment	609	706	390	365	456	(250)	(35.41)	Green	Amber	2
Information Technology										
Core Programme	320	418	380	377	418	-	-	Green	Amber	
Control Refurbishment	-	88	88	88	88	-	-	Green	Amber	
Management Information System	-	36	10	1	36	-	-	Green	Amber	
Breathing Apparatus	-	848	500	186	186	(662)	(78.07)	Green	Amber	7
	2,879	11,270	4,167	3,669	4,891	(6,379)	(56.60)			

Notes

1. Replacement of boilers is projected to cost less than originally anticipated.
2. The partnership with Humberside Police is unlikely to require a capital contribution from HFRS. Costs of the creation and running of the joint facility are likely to be charged as a revenue cost on an annual basis.
3. Clough Road will complete late summer 2014 and therefore some of the expenditure will be incurred in the 2014/15 financial year.
4. The works that will be carried out on the training infrastructure will not be completed during 2013/14.
5. The Command Unit will not be completed until 2014/15.
6. Not all vehicles will be delivered during 2013/14.
7. BA Cylinders will be purchased in 2013/14 and BA sets will be purchased in 2014/15.

Pensions Account Statement

The Authority has budgeted for a deficit of £9.307m on this account for 2013/14. The deficit for the year is now projected to be £7.464m due to the effect of increased employee contributions introduced by the Government.

The deficit on this account is financed through the Pensions Top-up Grant given by the CLG, of which 80% of the grant was 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 2014.

Table 4

**HUMBERSIDE FIRE & RESCUE SERVICE
PENSIONS ACCOUNT STATEMENT 2013/14
1 April 2013 to 31 January 2014 (Period 10)**

	Original Budget £'000	Revised Budget £'000	31 January 2014		Projection £'000	Full Year		Note
			Profile £'000	Actual £'000		Variance		
						£'000	%	
<u>Expenditure</u>								
Pension payments	11,701	12,403	11,370	11,415	12,403	-	-	
Commutations	2,701	1,857	1,702	1,572	1,857	-	-	
Transfer Values	100	100	92	-	100	-	-	
Total Pensions Expenditure	14,502	14,360	13,164	12,988	14,360	-	-	
<u>Income</u>								
Contributions								
Ill Health	(180)	(120)	(100)	-	(120)	-	-	
Employee's	(1,741)	(2,612)	(2,176)	(2,133)	(2,612)	-	-	
Employer's	(3,174)	(4,064)	(3,387)	(3,352)	(4,064)	-	-	
	(5,095)	(6,796)	(5,663)	(5,485)	(6,796)	-	-	
Transfer Values	(100)	(100)	(83)	(1)	(100)	-	-	
Total Pensions Income	(5,195)	(6,896)	(5,746)	(5,485)	(6,896)	-	-	
Net Pensions Deficit/(Surplus) To be financed by CLG grant	9,307	7,464	7,418	7,502	7,464	-	-	

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 2013 to 31 January 2014 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 Month of January 2014**

Ref.	Company	Investment £	From	To	%	Returned	
						Interest £	Investment £
MMF	RBS Global Treasury Fund	-					
MMF	Ignis Sterling Liquidity Fund	-					
MMF	Goldman Sachs Liquid Reserve Fund	250,000.00					
301425	Cornwall Council	2,000,000.00	15/07/2013	15/01/2014	0.28	2,823.01	2,000,000.00
301426	Dumfries & Galloway	1,000,000.00	15/07/2013	15/01/2014	0.28	1,411.51	1,000,000.00
301399	London Borough of Enfield	1,000,000.00	15/03/2013	28/02/2014	0.40	3,835.62	-
301400	Barnsley Metropolitan B.Council	1,000,000.00	15/03/2013	28/02/2014	0.40	3,835.62	-
301406	Bank of Scotland	1,000,000.00	02/04/2013	01/04/2014	1.10	10,969.86	-
301412	Salford City Council	1,000,000.00	30/04/2013	29/04/2014	0.35	3,490.41	-
301413	Salford City Council	1,000,000.00	07/05/2013	06/05/2014	0.35	3,490.41	-
301419	Aberdeen City Council	1,000,000.00	15/07/2013	15/05/2014	0.30	2,498.63	-
301421	Leeds City Council	1,000,000.00	16/07/2013	16/06/2014	0.30	2,753.42	-
301422	Leeds City Council	1,000,000.00	12/07/2013	16/06/2014	0.30	2,786.30	-
301433	Plymouth City Council	1,000,000.00	01/08/2013	10/07/2014	0.29	2,725.21	-
301418	Blackpool Borough Council	1,000,000.00	15/07/2013	14/07/2014	0.30	2,991.78	-
301424	Bury Metropolitan Borough Council	2,000,000.00	15/07/2013	14/07/2014	0.39	7,778.63	-
301423	Bassetlaw District Council	1,000,000.00	15/07/2013	14/07/2014	0.30	2,991.78	-
301432	Merthyr Tydfil Council	2,000,000.00	22/07/2013	21/07/2014	0.28	5,584.66	-
301444	Royal Bank of Scotland	1,000,000.00	31/07/2013	30/07/2014	0.70	6,980.82	-
301420	Woking Borough Council	2,000,000.00	01/08/2013	31/07/2014	0.30	5,983.56	-
301434	Isle of Wight Council	1,000,000.00	21/08/2013	20/08/2014	0.28	2,792.33	-
301435	Thurrock Borough Council	2,000,000.00	02/09/2013	01/09/2014	0.28	5,584.66	-
301442	Eastleigh Borough Council	1,000,000.00	03/09/2013	02/09/2014	0.30	2,991.78	-
301427	Corby Borough Council	1,600,000.00	20/09/2013	19/09/2014	0.30	4,786.85	-
301436	London Borough of Islington	2,000,000.00	01/10/2013	30/09/2014	0.28	5,584.66	-
						94,671.51	

Total Investments at 31 January 2014

25,850,000.00**Summary of Interest Receipts**

		Projection	Actual	Variance	%
		£	£	under/(over)	
Accumulated interest on Investments to :	31/01/2014	41,670	88,644	(46,974)	(112.73)

Temporary Loans

		Investment	From	To	%	Interest
		£				£
HFA 06	Hull City Council	2,000,000.00	29/11/2013	15/01/2014	0.26	669.59
HFA 07	Hull City Council	1,000,000.00	20/12/2013	21/01/2014	0.26	227.95
HFA 08	Hull City Council	1,000,000.00	20/12/2013	05/02/2014	0.26	334.79
HFA 09	Hull City Council	2,000,000.00	31/01/2014	19/02/2014	0.26	270.68

The total amount temporarily invested at 31 January 2014 is £25,850,000 which includes £5.46m invested on behalf of the East Coast and Hertfordshire Control Project.

The balance in the Authority's Liquidity Manager Account (LMA) bank account as at 31 January 2014 is £195,633.96. 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 2013 to 31 January 2014.

This statement also gives a projected value of revenue reserves at 31 March 2014 based on the projections in Table 1.

Table 6

**HUMBERSIDE FIRE & RESCUE SERVICE
MOVEMENT IN REVENUE RESERVES
as at 31 January 2014**

	As at 1 April 2013 £'000	In Year Movements £'000	Projected Balance at 31 March 2014 £'000
General Reserve	5,461	875 *	6,336
Earmarked Reserves			
Insurance	500	-	500
Control	100	(100)	-
East Coast & Hertfordshire Control	1,659	(659)	1,000
Clough Road Rebuild	1,250	(1,250)	-
Water Rescue Equipment	100	(100)	-
BA Replacement	700	(186)	514
Change Management	2,500	(100)	2,400
Wide Area Network (WAN)	1,913	(163)	1,750
New Brough Station	1,229	(120)	1,109
Data and Intelligence Management	150	(150)	-
Lease Buy-Out	750	(100)	650
Central Fire Station	2,000	-	2,000
HFR Solutions	280	175	455
	<u>18,592</u>	<u>(1,878)</u>	<u>16,714</u>

*In year contribution to the General Reserve is based on the budgeted contribution to the reserve plus any estimated under/overspend as at 31st January 2014.

Balance Sheet

This statement represents a snapshot of the balances at the date of this report.

It assumes that a revenue surplus of £1,898k, shown for the period in Table 1, is transferred to the General Reserve and that all capital expenditure is charged to the asset accounts.

As at the date of the report no long term borrowing to finance capital expenditure has been undertaken.

Table 7

	31-Jan
	£'000
Property, Plant & Equipment	67,006
Intangible Assets	594
Long Term Assets	67,600
Inventories	323
Short Term Investments	25,850
Short Term Debtors	2,539
Cash and Cash Equivalents	4,617
Current Assets	33,329
Cash and Cash Equivalents (liability)	
Short Term Creditors	(11,903)
Short Term Borrowing	(4,422)
Current Liabilities	(16,325)
Long Term Borrowing	(17,689)
Other Long Term Liabilities	(989)
Long Term Liabilities	(18,678)
Net Assets	<u>65,926</u>
Usable Reserves	20,576
Unusable Reserves	45,350
Total Reserves	<u>65,926</u>

The balance sheet displayed excludes IAS19 Employee Benefits pension liabilities of £549m. These liabilities relate to pension benefits that have been earned by employees which will eventually be paid as pensions in the future.

Prudential Indicators

The Prudential Indicators of the Authority for 2013/14 were approved at the 15 March 2013 Fire Authority Meeting.

The statements below monitor the actual performance to 31 January 2014 against the approved indicators.

Indicator 1 - Estimated Capital Expenditure 2013/14

This table reflects the forecasted capital expenditure as recorded in Table 3 of this report.

	2012/13 Actual £m	2013/14 Estimate Original £m	2013/14 Estimate Revised £m	2014/15 Estimate £m	2015/16 Estimate £m
Total Capital expenditure	3.457	2.879	4.891	2.625	3.115

Indicator 2 – Estimated ratio of Capital Financing Costs to Net Revenue Stream

This indicator reflects the estimated proportion of the net budget which is required to meet capital financing costs.

	2012/13 Actual %	2013/14 Estimate Original %	2013/14 Estimate Revised %	2014/15 Estimate %	2015/16 Estimate %
Ratio of Capital Financing Costs to Net Revenue Stream	7.88	5.95	5.79	7.06	6.64

Indicator 3 – Estimated Capital Financing Requirement

This indicator measures the Authority's need to borrow for capital financing purposes.

	Actual 31/03/13 £m	31/03/14 Estimate Original £m	31/03/14 Estimate Revised £m	Estimate 31/03/15 £m	Estimate 31/03/16 £m
Capital Financing Requirement	17.720	24.698	17.018	23.902	24.687

Indicator 4 – Authorised Limit for External Debt

The Authorised Limit for External Debt reflects the Authority's projected long and short term borrowing requirements at any time together with any other long term liabilities it may have. It is based on a prudent (but not worst case) scenario, and contains sufficient head room over and above this level to allow for operational management, for example, usual cash flow movements. The indicator was set at £34.415 million for 2013/14.

As at the 31 January 2014, the Authorised Limit has not been approached at any point in the year to date and is not forecast to be approached during the remainder of the financial year.

Indicator 5 – Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the same elements as the Authorised Limit (Indicator 4 above), but reflects directly the Director of Finance/S.151 Officer's estimate of the likely, prudent but not the worst case scenario without the additional headroom included in the Authorised Limit. This indicator therefore equates to the maximum external debt projected by this estimate and was set at £26.415 million for 2013/14.

As with the Authorised Limit, borrowing in the year to date has not exceeded the boundary and is not expected to exceed the boundary for the remainder of the financial year.

Indicator 6 – Fixed and Variable Rate Interest Exposure

This indicator seeks to ensure that the Authority limits its exposure to the risk of interest rate changes by restricting the proportion of variable rate borrowing within total borrowings. The approved limits for 2013/14 do not require amendment.

	As at 31/01/14	2013/14	2014/15	2015/16
	%	%	%	%
Fixed Rate – Upper Limit	100	100	100	100
Fixed Rate – Lower Limit	75	75	75	75
Variable Rate – Upper Limit	25	25	25	25
Variable Rate – Lower Limit	-	-	-	-

Indicator 7 – Upper and Lower Limits for the Maturity Structure of Borrowings

This indicator also seeks to ensure the Authority controls its exposure to the risk of interest rate fluctuations by limiting the proportion of debt maturing in any single period. The maturity structure of external debt is within the current approved upper and lower limits.

	Upper Limit %	% As at 31/01/14	Lower Limit %
Under 12 Months	10	4.97	-
12 months and within 24 months	10	12.19	-
24 months and within 5 years	25	13.52	-
5 years and within 10 years	60	28.12	-
10 years and above	80	41.20	-

The '12 months to 24 months' indicator is slightly over the level set but it is felt that this is not a cause for concern given that the Authority's maturity profile is very evenly distributed over the next 20 years and borrowing maturity for 0 to 24 months is 17.16% against a possible maximum of 20% (2 x 10%)

Indicator 8 – Upper Limit for the Maturity Structure of Investments

When the 2013/14 Prudential Indicators were established the Authority's cash flow strategy was that any investment of surplus funds would not exceed a period of more than 364 days duration. To date, effective cash flow management has duly reflected this strategy, and it is anticipated that any future investments in this financial year will also reflect this strategy.

Key Indicator of Prudence

Under the Prudential Code a key indicator of prudence is that "net external borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement in the preceding year plus the estimates of additional Capital Financing Requirements for the current and the next two financial years". To date, this indicator has not been breached.

Budget Virements (transfer between lines) Processed

The following virement has been processed during January 2014 under delegations within the Fire Authority's constitution:

	£
Community Fire Safety	
Supplies & Services	(8,533)
Accounting Adjustments	
Revenue Contributions of Capital	
Outlay	8,533
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Funding of a vehicle	
Fire Fighting & Rescue Operations	
Supplies & Services	(11,000)
Accounting Adjustments	
Revenue Contributions of Capital	
Outlay	11,000
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Funding of laptops re. Hydrant staff	
Management & Support	
Supplies & Services	(2,976)
Indirect Employees	2,976
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To cover course fees	

HFR Solutions

The financial performance of HFR Solutions in 2012/13 (actual) and 2013/14 (year-end projection) is as follows:-

	HFR Solutions surplus after corporation tax	HFRS costs charged to HFR Solutions (secondments, staff time, etc)	Total financial benefit of HFR Solutions to HFRS
	(£k)	(£k)	(£k)
2012/13 Actual (audited)	298	280	578
2013/14 Year-End Projection	150	400	550

A significant part of the costs charged to HFR Solutions have been secondment recharges which have supplemented the HFRS revenue budget for staff salaries at a time when the Service is carrying supernumerary operational staff.

The financial position of HFR Solutions will continue to be reported through to the Authority at regular intervals during the course of the financial year.

