



# Management Accounts for the period ending 30 June 2022



**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 2021 to 30 June 2022**

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 June 2022 compared to the profiled 2022/23 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 2022/23**  
**1 April 2022 to 30 June 2022 (Period 03)**

	Original Budget £'000	Revised Budget £'000	30 June 2022		Full Year Projection £'000	Full Year Variance		Status	Note
			Profile £'000	Actual & Committed £'000		£'000	%		
<b>Employees</b>									
Wholetime Firefighters	25,946	25,946	6,487	6,268	25,946	-	-	Green	
On-Call Firefighters	5,040	5,040	1,075	1,133	5,040	-	-	Green	
Non-Operational	7,450	7,450	1,862	1,757	7,450	-	-	Green	
Other Employee Expenses (Training, Occ Health, Insurance)	1,726	1,726	403	191	1,726	-	-	Green	
<b>Total Pay &amp; Pensions</b>	<b>40,162</b>	<b>40,162</b>	<b>9,827</b>	<b>9,349</b>	<b>40,162</b>	<b>-</b>	<b>-</b>		
Premises	3,207	3,207	1,481	1,540	3,072	(135)	(4.21)	Green	1
Transport	1,805	1,805	1,251	1,038	1,805	-	-	Green	
Supplies & Services	4,258	4,258	1,239	1,258	4,258	-	-	Green	
Support Services	212	212	53	44	212	-	-	Green	
Non Pay Efficiency Savings	(240)	(240)	(60)	-	(240)	-	-	Green	
<b>Total Expenditure</b>	<b>49,404</b>	<b>49,404</b>	<b>13,791</b>	<b>13,229</b>	<b>49,269</b>	<b>(135)</b>	<b>(0.27)</b>		
Income	(4,377)	(4,377)	(1,094)	(3,368)	(4,377)	-	-	Green	
<b>Net Expenditure (Ex Capital Charges)</b>	<b>45,027</b>	<b>45,027</b>	<b>12,697</b>	<b>9,861</b>	<b>44,892</b>	<b>(135)</b>	<b>(0.30)</b>		
Interest Payable	666	666	146	-	666	-	-	Green	
Interest Receivable	(40)	(40)	(10)	(4)	(40)	-	-	Green	
Accounting Adjustments	1,971	1,971	-	-	1,821	(150)	(7.61)	Green	2
Contributions to / (from) Reserves	(10)	(10)	-	-	(10)	-	-	Green	
<b>Net Budget Requirement</b>	<b>47,614</b>	<b>47,614</b>	<b>12,833</b>	<b>9,857</b>	<b>47,329</b>	<b>(285)</b>	<b>(0.60)</b>	<b>Green</b>	
<b>Financed By</b>									
Business Rates	(4,283)	(4,283)	(1,071)	(1,047)	(4,283)	-	-		
National Non Domestic Rates	(17,370)	(17,370)	(6,093)	(6,093)	(17,370)	-	-		
Precepts	(25,961)	(25,961)	(6,978)	(7,014)	(25,961)	-	-		
	-	-	(1,309)	(4,297)	(285)	(285)	-		

**Notes**

1. This projected underspend is due to lower Business Rate charges following a review of the rateable values of our premises.
2. This projected underspend is due to a lower Minimum Revenue Provision charge following a lower Capital spend during 2021/22.

## Capital Statement

This report shows the actual and committed capital expenditure as at 30 June 2022 compared with the adjusted profiled 2022/23 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 2022/23**  
 1 April 2022 to 30 June 2022 (Period 03)

SCHEME	Original Budget £'000	Revised Budget £'000	30 June 2022		Projection £'000	Full Year		Traffic Light Status	Note
			Profile	Actual & Committed		Variance			
			£'000	£'000		£'000	%		
<b>Building Works</b>									
Invest to Save	-	42	11	-	42	-	-	Green	
Goole	-	387	97	-	387	-	-	Green	
Snaith	-	50	13	-	50	-	-	Green	
Bridlington	-	100	25	-	100	-	-	Green	
BA Training Refurbishment	-	8	2	-	8	-	-	Green	
Co-Location	-	97	24	-	97	-	-	Green	
Howden	-	390	98	-	390	-	-	Green	
Winterton	-	150	38	-	150	-	-	Green	
Pocklington	50	150	38	-	150	-	-	Green	
Calvert Lane	50	50	13	-	50	-	-	Green	
Scunthorpe	-	100	25	-	100	-	-	Green	
Immingham East	-	350	88	-	350	-	-	Green	
Grimsby - Cromwell Road	250	500	125	-	500	-	-	Green	
Crowle	150	150	38	-	150	-	-	Green	
Driffield	50	50	13	-	50	-	-	Green	
Other Minor Schemes	140	162	41	-	162	-	-	Green	
Training Infrastructure	200	200	50	-	200	-	-	Green	
Furniture and Equipment	-	8	2	-	8	-	-	Green	
	890	2,944	741	-	2,944	-	-		
<b>Vehicles</b>									
Operational Vehicles	-	1,436	1,350	1,349	1,436	-	-	Green	
Support Vehicles	120	730	150	135	730	-	-	Green	
<b>Equipment</b>	97	527	150	131	527	-	-	Green	
<b>PPE</b>	-	364	10	2	364	-	-	Green	
<b>Information Technology</b>	950	1,291	100	14	1,291	-	-	Green	
	2,057	7,292	2,501	1,631	7,292	-	-		

**Pensions Account Statement**

The Authority has a revised budgeted deficit of £12.75m on this account for 2022/23.

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 due 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 2023.

Table 3

**HUMBERSIDE FIRE & RESCUE SERVICE**  
**PENSIONS ACCOUNT STATEMENT 2021/22**  
**1 April 2022 to 30 June 2022 (Period 03)**

	Revised Budget £'000	30 June 2022		Projection £'000	Full Year		Note
		Profile £'000	Actual £'000		Variance		
					£'000	%	
<b><u>Expenditure</u></b>							
Pension payments	17,632	5,877	5,888	17,632	-	-	
Commutations	3,089	772	922	3,089	-	-	
Transfer Values	100	25	-	100	-	-	
<b>Total Pensions Expenditure</b>	<b>20,821</b>	<b>6,674</b>	<b>6,810</b>	<b>20,821</b>	<b>-</b>		
<b><u>Income</u></b>							
Contributions							
Ill Health	(188)	(47)	-	(188)	-	-	
Employee's	(2,383)	(596)	(595)	(2,383)	-	-	
Employer's	(5,400)	(1,350)	(1,291)	(5,400)	-	-	
	<b>(7,971)</b>	<b>(1,993)</b>	<b>(1,886)</b>	<b>(7,971)</b>	<b>-</b>		
Transfer Values	(100)	(25)	-	(100)	-	-	
<b>Total Pensions Income</b>	<b>(8,071)</b>	<b>(2,018)</b>	<b>(1,886)</b>	<b>(8,071)</b>	<b>-</b>		
Net Pensions Deficit/(Surplus) To be financed by HO grant	<b>12,750</b>	<b>4,656</b>	<b>4,924</b>	<b>12,750</b>	<b>-</b>		

**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 2022 to 30 June 2022 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

<b>HUMBERSIDE FIRE &amp; RESCUE SERVICE</b>									
<b>BORROWING AND LENDING ACTIVITY STATEMENT</b>									
<b>For the Period Ending 30 June 2022</b>									
<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> £		
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							
301742	Thurrock Council	2,000,000.00	07/01/2022	07/04/2022	0.14	690.41	2,000,000.00		
301752	DMO	1,000,000.00	21/04/2022	29/04/2022	0.55	120.55	1,000,000.00		
301745	Nationwide BS	2,000,000.00	21/02/2022	23/05/2022	0.52	2,592.88	2,000,000.00		
301746	DMO	1,000,000.00	21/02/2022	23/05/2022	0.54	1,346.30	1,000,000.00		
301753	DMO	2,000,000.00	23/05/2022	30/05/2022	0.80	306.85	2,000,000.00		
301755	DMO	1,200,000.00	21/06/2022	27/06/2022	1.05	207.12	1,200,000.00		
301756	DMO	1,750,000.00	27/06/2022	28/06/2022	1.05	50.34	1,750,000.00		
301754	DMO	1,000,000.00	30/05/2022	30/06/2022	0.96	815.34	1,000,000.00		
301751	Thurrock Council	2,000,000.00	07/04/2022	07/07/2022	0.85	4,238.36	-		
301744	Coventry BS	2,000,000.00	08/02/2022	08/08/2022	0.66	6,545.75	-		
301748	North Norfolk DC	2,000,000.00	21/03/2022	21/09/2022	0.95	9,578.08	-		
301757	Nationwide BS	2,000,000.00	27/06/2022	27/09/2022	1.34	6,755.07	-		
						33,247.05			
<b>Total Investments at 30 June 2022</b>		<b>11,000,000.00</b>							
<b><u>Summary of Interest Receipts</u></b>									
			<u>Projection</u>	<u>Actual</u>	<u>Variance</u>	<u>%</u>			
			£	£	under/(over) £				
Accumulated interest on Investments to :		<b>30/06/2022</b>	9,999	5,519	4,480	44.80			
<b><u>Temporary Loans</u></b>									
		<u>Investment</u>	<u>From</u>	<u>To</u>	<u>%</u>	<u>Interest</u>			
		£				£			
		-				-			

The total amount temporarily invested at 30 June 2022 is £11.00m.



**Movement in Revenue Reserves**

This statement shows the movements on the revenue reserves for the period 1 April 2022 to 30 June 2022.

This statement also gives a projected value of revenue reserves at 31 March 2023 based on the projections in Table 1.

**Table 5**

**HUMBERSIDE FIRE & RESCUE SERVICE  
MOVEMENT IN REVENUE RESERVES  
as at 30 June 2022**

	As at 1 April 2022 £'000	In Year Movements £'000	Projected Balance at 31 March 2023 £'000
General Reserve	5,908	275 *	6,183
Earmarked Reserves			
Insurance	500	-	500
The Ark - National Flood Resilience Centre	1,000	-	1,000
Capital Programme	3,410	-	3,410
Business Continuity Reserve	1,000	-	1,000
ESMCP	265	-	265
Grenfell and Protection	71	(71)	-
East Coast & Hertfordshire Control Room Consortium	1,000		1,000
Pay and Prices	1,200	-	1,200
COVID	210	(210)	-
Environmental Reserve	30	(30)	-
	14,594	(36)	14,558

\*In year contribution to the General Reserve is based on the budgeted contribution to the reserve plus any estimated under/overspend as at 30 June 2022.

**Budget Virements (transfer between lines) Processed**

There were no budget virements processed during the period to 30 June 2022.

**Prudential Indicators as at 30 June 2022****Indicator 1 - Capital Expenditure**

The actual capital expenditure for the current year compared to the original estimate and revised budget, together with estimates of expenditure to be incurred in future years are shown below:

	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
	Actual	Budget	Revised	Estimate	Estimate	Estimate
	£k	£k	£k	£k	£k	£k
Total Capital expenditure	1,960	7,292	7,292	3,157	2,863	3,127

**Indicator 2 - Capital Financing Requirement**

The capital financing requirement for 2022/23 and estimates for future years are as follows:

	Actual	Estimate	Estimate	Estimate	Estimate
	31/03/22	31/03/23	31/03/24	31/03/25	31/03/26
	£k	£k	£k	£k	£k
Capital Financing Requirement	17,691	23,029	24,043	24,578	25,268
Lease - Integrated Care Centre	1,029	1,012	994	974	953
Total CFR	18,720	24,041	25,037	25,552	26,221

The capital financing requirement measures the Authority's need to borrow for capital purposes. In accordance with best professional practice, the Humberside Fire Authority does not associate borrowing with particular items or types of expenditure. The Authority has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved Strategy. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Authority's underlying need to borrow for a capital purpose.

A key indicator of prudence under the Prudential Code is: -

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure 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 any additional capital financing requirement for the current and next two financial years".

The S151 Officer reports that the Authority has had no difficulty meeting this requirement during the course of this financial year and no difficulties are envisaged in future years. This takes into account current commitments, existing plans and the proposals contained in the Medium Term-Financial Plan.

**Indicator 3 – Core Funds and Expected Investment Balances**

The table below shows the estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

	2022/23 Original £k	2022/23 Revised £k	2023/24 Estimate £k	2024/25 Estimate £k	2025/26 Estimate £k
Total Core Funds	13,924	13,924	11,990	11,750	11,528
Expected Investments	7,564	7,564	4,116	3,500	2,760

The actual total investments held as at 30<sup>th</sup> June 2022 is £11.0m. This is higher than the expected investments due to cash flow fluctuations through the year.

**Indicator 4 - Operational Boundary for External Debt**

The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the S151 Officer's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the S151 Officer.

	2022/23 Boundary £k	Actual As at 30/06/22 £k	2023/24 Boundary £k	2024/25 Boundary £k	2025/26 Boundary £k
Borrowing	25,000	19,069	25,000	25,000	25,000
Other Long-Term Liabilities	3,500	1,012	3,500	3,500	3,500
	28,500	20,081	28,500	28,500	28,500

The S151 Officer confirms that borrowing in the year has not exceeded the operational boundary at any point within the year to date and is not expected to do so over the course of the next period based on information currently available.

**Indicator 5 - Authorised Limit for External Debt**

The table below shows the Authorised limit for External Debt for 2022/23 and subsequent three-year period as approved by Members, compared to the actual level of borrowing as at 30 June 2022.

	2022/23	Actual as at	2023/24	2024/25	2025/26
	Limit	30/06/22	Limit	Limit	Limit
	£k	£k	£k	£k	£k
Borrowing	31,000	19,069	31,000	31,000	31,000
Other Long-Term Liabilities	3,500	1,012	3,500	3,500	3,500
	<u>34,500</u>	<u>20,081</u>	<u>34,500</u>	<u>34,500</u>	<u>34,500</u>

The Authorised Limit reflects the Authority's projected long- and short-term borrowing requirements, together with any other long-term liabilities it may have. The figures are based on the estimate of most likely, prudent but not worst-case scenario, with sufficient headroom over and above this to allow for operational management of, for example unusual cash movements.

The S151 Officer confirms that the Authorised Limit has not been approached at any point during the first three months of the year, nor is it likely to during the remaining nine months of 2022/23.

**Indicator 6 - Ratio of Capital Financing Costs to Net Revenue Stream**

The ratio of financing costs to net revenue stream for the current year and estimates for future years are as follows: -

	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
	Actual	Original	Revised	Estimate	Estimate	Estimate
	%	%	%	%	%	%
Ratio of Financial Costs to Net Revenue Stream	<u>3.49</u>	<u>3.35</u>	<u>3.04</u>	<u>3.62</u>	<u>3.91</u>	<u>4.00</u>

These ratios indicate the proportion of the net budget of the Authority that is required to finance the costs of capital expenditure in any year. Estimates of financing costs include current commitments and the proposals contained in the capital programme of the Authority.

In calculating the ratio, Net Revenue Streams in any year have been taken to exclude any element of the net budget requirement that is intended to provide reserves for the Authority.

The projected increase in the ratio over the period reflects the increase in capital financing costs resulting from the capital allocations approved as part of the medium-term financial plan.

**Indicator 7 – Upper and Lower Limits for the maturity structure of borrowings**

This indicator seeks to ensure the Authority controls its exposure to the risk of interest rate changes by limiting the proportion of debt maturing in any single period. Ordinarily debt is replaced on maturity and therefore it is important that the Authority is not forced to replace a large proportion of loans at a time of relatively high interest rates.

“The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowings. The prudential indicators will be referred to as the upper and lower limits respectively for the maturity structure of borrowing and shall be calculated as follows:

Amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate;

Where the periods in question are:

- Under 12 months
- 12 months and within 24 months
- 24 months and within 5 years
- 5 years and within 10 years
- 10 years and above”

	Actual as at 30/06/22	Upper Limit	Lower Limit
	%	%	%
Under 12 Months	4.72	15	0
12 months and within 24 months	7.87	15	0
24 months and within 5 years	14.00	30	0
5 years and within 10 years	41.95	60	0
10 years and above	31.46	80	0

The S151. Officer confirms that the maturity structure of external debt as at 30/06/22 is within the upper and lower limits approved by the Authority.