DEVON & SOMERSET
FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	**RC/13/11**
MEETING	**RESOURCES COMMITTEE**
DATE OF MEETING	**13 NOVEMBER 2013**
SUBJECT OF REPORT	**FINANCIAL PERFORMANCE REPORT 2013-2014 – Quarter 2**
LEAD OFFICER	**Treasurer to the Authority**
RECOMMENDATIONS	***(a) That the monitoring position in relation to projected spending against the 2013-2014 revenue and capital budgets be noted;*** ***(b) That the performance against the 2013-2014 financial targets be noted.***
EXECUTIVE SUMMARY	This report provides the Committee with the second quarter performance (to September 2013) against agreed financial targets for the current financial year. In particular, it provides a forecast of spending against the 2013-2014 revenue budget with explanations of the major variations. At this stage in the financial year it is forecast that spending will be £1.504m less than budget, equivalent to 1.96% of the total budget. This saving is largely attributable to the early implementation of our strategy to reduce non-operational support functions costs by at least £1.5m by 2015-16. Management action already taken this year, for instance, the deletion of 16 support staff posts (anticipated to reach 40 by 31 March 2014), and the application of new procurement strategies, means that not only are we delivering in-year savings, but also providing the confidence that the full year savings target of £1.5m by 2015-16 will be met.
RESOURCE IMPLICATIONS	As indicated in the report.
EQUALITY IMPACT ASSESSMENT	An initial assessment has not identified any equality issues emanating from this report.
APPENDICES	Appendix A – Summary of Prudential Indicators 2013-2014.

LIST OF BACKGROUND PAPERS	None.

1. INTRODUCTION

1.1 This report provides the second quarterly financial monitoring report for the current financial year, based upon the position as at the end of September 2013. As well as providing projections of spending against the 2013-2014 revenue and capital budget, the report also includes forecast performance against other financial performance indicators, including the prudential and treasury management indicators.

1.2 Table 1 below provides a summary of performance against the key financial targets.

TABLE 1 – FORECAST PERFORMANCE AGAINST KEY FINANCIAL TARGETS 2013-2014

	Key Target	Target	Forecast Outturn		Forecast Variance	
			Quarter 2	Previous Quarter	Quarter 2 %	Previous Quarter %
	Revenue Targets					
1	Spending within agreed revenue budget	£76.784m	£75.280m	£75.773m	(1.96%)	(1.32)%
2	General Reserve Balance as %age of total budget (minimum)	5.00%	6.76%	6.76%	(1.76)bp	(1.76)bp
	Capital Targets					
3	Spending within agreed capital budget	£6.360m	£5.272m	£6.316m	(17.11)%	(0.21)%
4	External Borrowing within Prudential Indicator limit	£25.978m	£26.214m	£26.214m	0.91%	0.91%
5	Debt Ratio (debt charges over total revenue budget)	3.85%	3.85%	3.85%	0.00bp	0.00bp

1.3 The remainder of the report is split into the three sections of:

- **SECTION A** – Revenue Budget 2013-14.
- **SECTION B** – Capital Budget and Prudential Indicators 2013-14.
- **SECTION C** – Other Financial Indicators.

1.4 Each of these sections provides a more detailed analysis of performance, including commentary relating to the major variances.

2. SECTION A - REVENUE BUDGET 2013-2014

2.1 Table 2 overleaf provides a summary of the forecast spending against all agreed subjective budget heads, e.g. employee costs, transport costs etc. This table indicates that spending by the year end will be £75.280m compared with an agreed budget figure of £76.784m, representing a saving of £1.504m, equivalent to 1.96% of the total budget.

TABLE 2 – REVENUE MONITORING STATEMENT 2013-2014

DEVON & SOMERSET FIRE AND RESCUE AUTHORITY
Revenue Budget Monitoring Report 2013/14

Line No		2013/14 Budget £000 (1)	Year To Date Budget £000 (2)	Spending to Month 6 £000 (3)	Projected Outturn £000 (4)	Projected Variance over/ (under) £000 (5)
	SPENDING					
	EMPLOYEE COSTS					
1	Wholetime uniform staff	31,998	15,974	15,998	31,944	(55)
2	Retained firefighters	11,794	5,600	5,060	11,763	(31)
3	Control room staff	1,637	812	743	1,584	(53)
4	Non uniformed staff	10,980	5,484	5,056	10,080	(900)
5	Training expenses	1,433	716	451	1,145	(288)
6	Fire Service Pensions recharge	2,058	1,196	1,382	2,177	119
		59,901	**29,782**	**28,691**	**58,693**	**(1,208)**
	PREMISES RELATED COSTS					
7	Repair and maintenance	1,151	575	487	1,125	(26)
8	Energy costs	628	266	352	596	(32)
9	Cleaning costs	445	222	172	424	(21)
10	Rent and rates	1,505	873	1,346	1,510	5
		3,729	**1,936**	**2,356**	**3,655**	**(74)**
	TRANSPORT RELATED COSTS					
11	Repair and maintenance	634	317	309	627	(7)
12	Running costs and insurances	1,408	884	662	1,428	20
13	Travel and subsistence	1,688	738	671	1,544	(144)
		3,730	**1,939**	**1,643**	**3,599**	**(131)**
	SUPPLIES AND SERVICES					
14	Equipment and furniture	2,554	1,278	1,189	2,400	(154)
15	Supplies Internal Recharges	-	-	-	-	-
16	Hydrants-installation and maintenance	111	56	43	111	-
17	Communications	2,010	1,005	782	1,976	(34)
18	Uniforms	1,304	652	231	1,120	(184)
19	Catering	134	67	71	138	4
20	External Fees and Services	329	164	146	273	(56)
21	Partnerships & regional collaborative projects	136	68	48	136	-
		6,578	**3,290**	**2,509**	**6,154**	**(424)**
	ESTABLISHMENT COSTS					
22	Printing, stationery and office expenses	393	217	157	387	(6)
23	Advertising	51	26	6	22	(29)
24	Insurances	366	333	263	396	30
		810	**576**	**427**	**805**	**(5)**
	PAYMENTS TO OTHER AUTHORITIES					
25	Support service contracts	549	240	707	548	(1)
		549	**240**	**707**	**548**	**(1)**
	CAPITAL FINANCING COSTS					
26	Capital charges	4,582	2,017	320	4,438	(144)
27	Revenue Contribution to Capital spending	65	-	-	65	-
		4,647	**2,017**	**320**	**4,503**	**(144)**
28	**TOTAL SPENDING**	**79,944**	**39,779**	**36,652**	**77,957**	**(1,987)**
	INCOME					
29	Treasury management investment income	(100)	(50)	(77)	(100)	0
30	Grants and Reimbursements	(1,996)	(998)	(1,276)	(2,210)	(214)
31	Other income	(902)	(451)	(183)	(691)	211
32	Internal Recharges	(163)	(82)	(35)	(127)	36
33	**TOTAL INCOME**	**(3,161)**	**(1,581)**	**(1,571)**	**(3,128)**	**33**
34	**NET SPENDING**	**76,784**	**38,199**	**35,081**	**74,830**	**(1,954)**
	TRANSFERS TO EARMARKED RESERVES					
35	Transfer to Earmarked Reserve	-	-	-	450	450
		-	**-**	**-**	**450**	**450**
36	**NET SPENDING**	**76,784**	**38,199**	**35,081**	**75,280**	**(1,504)**

2.2 These forecasts are based upon the spending position at the end of September 2013, historical trends, and information from budget managers on known commitments. It should be noted that whilst every effort is made for projections to be as accurate as possible, some budget lines are susceptible to volatility in spending patterns during the year e.g. retained pay costs which are linked to activity levels, and it is inevitable therefore that final spending figures for the financial year will differ than those projected in this report.

2.3 As part of the discussions around the approval of the Corporate Plan in July 2013, our strategy to deliver further on-going savings of £6.8m by 2015-16 includes a savings target of £1.5m to come from non-operational support functions. It should be noted that this £1.5m is in addition to the £2.2m already removed from non-operational support function budgets since 2010-11. Report DSFRA/13/16 "Non-operational Savings" considered at the Devon and Somerset Fire and Rescue Authority (DSFRA) meeting on the 10 July 2013 (Minute DSFRA/20 refers) identified how this figure of £1.5m can be achieved including the deletion of approximately 40 posts by the end of this financial year.

2.4 To date, management has already taken decisions to delete 16 of these posts and are on target to reach 40 posts by the end of the financial year, contributing £0.9m of in-year savings. In-year efficiency savings of £0.189m are also forecast from the adoption of new improved procurement processes.

2.5 These in-year savings make a significant contribution to the forecast £1.504m underspend against the current year revenue budget. Savings against other budget heads e.g. Training Expenses and Capital Financing Costs are also reported. Explanations of the more significant variations from budget (over £50k variance) are explained below in paragraphs 3 to 7.

3. <u>EMPLOYEE COSTS</u>

Wholetime Staff

3.1 At this stage it is projected that spending on wholetime pay costs will be £55k less than the budget figure, equivalent to 0.17% of the total wholetime pay budget. This projection includes the impact of the agreed 1% pay award from July 2013.

3.2 It should be noted that, as part of the budget savings required to set a balanced budget for 2013-14, the wholetime staffing budget has been reduced by £0.5m to reflect vacancy management savings from predicted leavers during the financial year. Based upon current assumptions of further leavers, retirees and voluntary redundancies, during the remainder of the financial year it is forecast that this saving figure will be achieved.

Retained Pay Costs

3.3 At this stage in the financial year spending is forecast to be just under budget with a small underspend of £31k. In making this projection an assumption has been made that activity levels in the remainder of the financial year are consistent with the average for the same period for the last three financial years. It should be emphasised that by its very nature retained pay costs can be subject to significant variations e.g. volatility to spending caused from spate weather conditions.

3.4 With reference to the impending financial liability relating to the Employment Tribunal which ruled that, under the Part-Time Workers (less than favourable working conditions) Regulations, retained firefighters should have had the same access to pension benefits as their full-time colleagues. Whilst from 2006 retained staff have had such access, this was not the case prior to 2006. The ruling has meant that individual retained firefighters, both existing and retired, can now access the Firefighter Pension Scheme for the period from the year 2000 (the year the employment Tribunal was lodged) until 2006.

3.5 For each firefighter that opts to access the Pension scheme prior to 2006 the Authority will be required to pay an employer's contribution into the Pension Fund based upon pensionable pay during the relevant period. Each firefighter will also be required to pay an employee's contribution into the Fund, which for many will be a significant one-off payment.

3.6 A consultation document issued by the Department of Communities and Local Government (CLG) in July 2013 "Retained Firefighters Pension Settlement" sets out the proposed terms of access to a pension scheme for the period 1 July 2000 to 5 April 2006. It also provides a proposed timeframe of events including the process for retained staff to register an interest, and for each Fire and Rescue Authority (FRA) to notify staff of the costs and benefits. Given that it is envisaged that this process will take up to twelve months to complete, it is not possible at this time to give a precise figure in terms of the liability to fall on the Authority.

3.7 The Authority has prudently already set aside an amount of £1.6m in a Provision to fund this liability when it is required to be settled. This figure has been calculated based upon an assumed level of take-up by retained staff. Clearly there is a risk that, should actual take-up levels exceed our assumptions, then this figure will prove to be insufficient. In such an event the additional cost would need to be funded from Authority Reserves.

Control Room Pay

3.8 The forecast outturn for Control Room Pay is for a saving of £53k, due to a change to the way shifts are crewed, which is partially offset by a provision for overtime to cover training on the new Control Software.

Non Uniformed Pay

3.9 Management action already taken this year has resulted in the deletion of 16 support staff posts. It is anticipated that this number will have reached 40 by the end of the financial year resulting in forecast savings of £0.900m against a budget of £10.980m. This figure is net of known redundancy payments for non-uniformed staff.

Training Expenses

3.10 Training Expenses are forecast to come in £0.288m under budget, primarily savings of £0.137m from Role Development courses, £0.091m on Assessment Centres and £0.052m on Core Development. This is primarily due to a reducing headcount throughout the service.

Pension Costs

3.11 Current predicted over spends of £0.119m on the Pensions Recharge are due to the anticipated number of ill-health retirements this year, which may change as time progresses due to the notice period necessary.

4. TRANSPORT RELATED COSTS

Travel and Subsistence

4.1 Savings of £0.131m are forecast to be realised from Travel expenses, specifically £0.090m on Contract Car Hire Vehicle leases and £0.050m in relation to travel expenses which had been set aside to meet additional travel costs from the combination of control rooms. These savings are partially offset by additional spend on vehicle repairs which has been recovered from the insurers via the grants and reimbursements budget line.

5. SUPPLIES AND SERVICES

Equipment and Furniture

5.1 Anticipated savings of £0.154m on equipment and furniture are primarily as a result of the adoption of planned procurement and spending strategies.

Uniforms

5.2 The forecast under spend of £0.184m on uniforms is due to reduced staff numbers and planned procurement savings on PPE and work wear refreshment programmes.

External Fees and Services

5.3 Due to the strategic reduction in the number of external contractors used, expenditure on External fees and services is forecast to be underspent by £0.056m.

6. CAPITAL FINANCING COSTS

Capital charges

6.1 The forecast spending for Capital Charges is £4.438m, a saving of £0.144m against budget. This is primarily due to a reduction in debt charges because of slippage in capital spending in 2012-13 resulting in reduced borrowing requirements.

7. INCOME

Grants and Reimbursements

7.1 Income from Grants and Reimbursements is expected to be £0.214m better than budgeted. However, the majority of funds are matched by additional spending items in year (reflected on expense lines) resulting in no net savings.

Other Income

7.2 Income from External bodies is forecast to be £0.211m less than budget. Of this amount £0.075m relates to the reversal of income accounted for twice in 2012/13, which was identified as part of the external audit process. The remainder is as a consequence of the adverse impact to income generation in the current economic conditions.

8. RESERVES AND PROVISIONS

8.1 As well as the funds available to the Authority by setting an annual budget, the Authority also holds reserve and provision balances.

Reserves

8.2 There two types of Reserves held by the Authority:

Earmarked Reserves – these reserves are held to fund a **specific** purpose and can only be used to fund spending associated with that specific purpose. Should it transpire that not all of the agreed funds are required then the agreement of the Authority would be sought to decide how any remaining balance is to be utilised.

General Reserve – usage from this Reserve is **non-specific** and is held to fund any unforeseen spending that had not been included in the base budget e.g. excessive operational activity resulting in significant retained pay costs.

Provisions

8.3 In addition to reserves the Authority may also hold provisions which can be defined as:

Provisions – a Provision is held to provide funding for a liability or loss that is known with some certainty will occur in the future, but the timing and amount is less certain.

8.4 A summary of predicted balances on Reserves and Provisions is shown in Table 3 below. These figures exclude any potential in-year transfers to/from the revenue budget in the current financial year.

TABLE 3 – FORECAST RESERVES AND PROVISION BALANCES 31 MARCH 2014

RESERVES	**Balance as at 1 April 2013 £000**	**In-Year Transfers £000**	**Spending to Quarter 2 2013 £000**	**Projected Outturn £000**	**Projected Balance as at 31 March 2014 £000**	
Earmarked reserves						
Grants unapplied in 2010-11	2,251		16	364	1,887	
Change & improvement programme	511		-	-	511	
Commercial Services	252		19	30	222	
Direct Funding to Capital	3,877		-	3,295	582	
CSR 2010	3,389 *		-	-	3,389	
2012-13 Budget Carry Forwards	150		-	150	0	
Grants unapplied in 2011-12	139		-	139	0	
Essential Spending Pressures	103		-	103	0	
Community Safety Investment	0	450	-	200	250	
Total earmarked reserves	**10,671**	**450**	**35**	**4,281**	**6,840**	
General reserve						
General fund balance	**5,191**				**5,191**	
Percentage of general reserve compared to net budget						6.76%
TOTAL RESERVE BALANCES	**15,862**				**12,031**	
PROVISIONS						
Part time workers - retained fire fighters	1,605		1	1	1,604	
TOTAL PROVISIONS	**1,605**		1	1	**1,604**	

***** The CSR 2010 Reserve has been established to provide additional financial contingency during the period of austerity, which is now anticipated to go beyond the current CSR 2010 period until at least 2017-18. Given that the proposals within the Corporate Plan are to be implemented with no compulsory redundancies this Reserve will be utilised over the period of austerity measures to fund staffing costs, including voluntary redundancy costs, where required. It also provides further contingency in the event that government grant reductions are larger than included in the Authority Medium Term Financial Plan.

9. DELIVERY OF CORPORATE PLAN SAVINGS

9.1 There is a need to deliver on-going revenue savings to meet the reductions in government grant. The Chancellors 2013 Spending Round announcement in July confirmed that, in addition to the initial 25% reduction in Fire grants by 2014-15, as announced in CSR 2010, a further 10% reduction will be applied to 2015-16. Table 4 below provides a summary of those on-going revenue savings already agreed by the Authority at budget setting meetings in each year since 2010.

TABLE 4 – SUMMARY OF ON-GOING REVENUE SAVINGS SINCE 2010-11

Year	2011-12 £'000	2012-13 £'000	2013-14 £'000	TOTAL £'000
Operational				
Budget management/zero base budgeting	-	-	(378)	**(378)**
Standarisation of Crewing	(425)	-		**(425)**
Automated Fire Alarm Calls	(25)	(84)		**(109)**
Co-responder Calls	(50)	(25)		**(75)**
Vacancy Management		(150)	(341)	**(491)**
	(500)	**(259)**	**(719)**	**(1,478)**
Non-Operational				
Budget management/zero base budgeting	(342)	(305)	(704)	**(1,351)**
Senior Management Restructure	(50)	(104)		**(154)**
Control Room consolidation	-	(503)		**(503)**
Dissolution of Regional Management Board	(25)			**(25)**
Business Support Changes		(59)	(150)	**(209)**
	(417)	**(971)**	**(854)**	**(2,242)**
Total Savings since 2010-11	**(917)**	**(1,230)**	**(1,573)**	**(3,720)**

9.2 As can be seen from these figures, of the total £3.7m removed from the base budget, an amount of £2.2m relates to savings from non-operational budget heads i.e. 59% of the total.

9.3 Looking ahead, the Medium Term Financial Plan forecasts that further savings of £6.8m will be required over the next two years in order that a balanced budget can be set in 2015-16. As is highlighted within this report we are confident that further savings of £1.5m can be delivered from non-operational budget heads, leaving a further £5.3m to be delivered from operational budgets.

9.4 The Corporate Plan 2013-14 to 2014-15, agreed by the Authority in July 2013, included proposals to deliver these required savings. At this time implementation plans for the delivery of each of these proposals have been put in place. Given that the Authority will be required to set a balanced budget for 2015-16 in February 2015, only fifteen months away, it is vital that these implementation plans are kept under constant review to provide the confidence that the required savings can be delivered in time.

9.5 This Committee will receive updates as part of the financial performance reporting on the progress of these proposals.

10. SUMMARY OF REVENUE SPENDING

10.1 At this stage it is forecast that spending will be £1.504m less than the agreed budget figure for 2013-14. It is anticipated that this saving figure will be improved upon as we move toward the end of the financial year and further efficiency savings can be delivered against budget heads. This forecast saving figure is primarily attributable to the early adoption of our strategy to have reduced non-operational support function costs by an amount of £1.5m by 2015-16.

10.2 Given that we still have a further six months to go in the financial year, and the figures will inevitably be subject to change, this report does not make any recommendation as to how this forecast saving is to be utilised. Future decisions to be made by the Committee as to how the savings figure is to be best utilised will be influenced by other factors e.g. clarity around the liability in respect of retained pension costs (see Para 3.7), the need to support capital spending plans therefore reducing debt exposure, and also the need to maintain sufficient Reserve balances during the period of austerity, now anticipated to be to at least 2017-18.

11. SECTION B – CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2013-14

Monitoring of Capital Spending in 2013-14

11.1 Table 5 below provides a summary of forecast spending against the 2013-2014 capital programme. At this stage it is forecast that total capital spending in year will be £5.272m, with £1.028m of slippage in to 2014-15 and net savings of £0.060m against a total budget of £6.360m.

TABLE 5 – CAPITAL MONITORING 2013-14

Capital Programme 2013/14

Item	PROJECT	2013/14 £000 Budget	2013/14 £000 Projected outturn	2013/14 £000 Variation to budget
	Estate Development			
1	SHQ major building works	79	79	-
2	Major Projects - Training Facility at Exeter Airport	1,544	1,444	(100)
3	Minor improvements & structural maintenance	988	899	(89)
4	USAR works	0	-	(0)
5	Minor Works slippage from earlier years	300	297	(3)
6	Projects funded from Revenue	63	62	(1)
	Estates Sub Total	**2,974**	**2,782**	(192)
	Fleet & Equipment			
7	Appliance Replacement - Slippage from 12/13	337	231	(106)
8	Specialist Ops Vehicles - Slippage from 12/13	1,530	1,013	(517)
9	Equipment - Slippage from 12/13	181	157	(24)
10	Vehicles funded from Revenue	23	22	(1)
11	Appliance Replacement	1,015	887	(128)
12	Equipment	300	180	(120)
	Fleet & Equipment Sub Total	**3,386**	**2,491**	**(896)**
	Overall Capital Totals	**6,360**	**5,272**	(1,088)
	Programme funding			
	Main programme	1,596	508	(1,088)
	Revenue funds	3,324	3,324	-
	Grants	1,440	1,440	-
		6,360	**5,272**	**(1,088)**

Prudential Indicators (including Treasury Management)

11.2 Table 5 also illustrates how the forecast spending of £5.272m is to be financed. Should the forecast slippage increase then we are likely to be in a position of not requiring any borrowing in this financial year to finance capital spending. As is reported in the separate Treasury Management Performance Report elsewhere on the agenda, no additional borrowing has been taken out during the first six months of the year, and there are no plans to take out any further borrowing in the remainder of the financial year. This position may change however subject to movement in Public Works Loan Board (PWLB) rates, which are monitored on a daily basis.

11.3 Total external borrowing with the Public Works Loan Board (PWLB) as at 30 September 2013 stands at £26.285m, forecast to reduce to £26.214m by 31 March 2014 as a result of further loan repayments. This level of borrowing is well within the Authorised Limit for external debt of £32.770m (the absolute maximum the Authority has agreed as affordable).

11.4 At this stage of the year income from the investment of working balances into short-term deposits is anticipated to reach the target figure of £0.100m by 31 March 2014. Investment returns have yielded an average return of 0.41% which outperforms the LIBID 3 Month return (industry benchmark) of 0.39% for the quarter.

11.5 Appendix A provides a summary of performance against all of the agreed Prudential Indicators for 2013-2014, which illustrates that at this time there is no anticipated breach of any of these indicators.

12. SECTION C - OTHER FINANCIAL PERFORMANCE INDICATORS

Aged Debt Analysis

12.1 Total debtor invoices outstanding as at 30 September 2013 is £124,088, a considerable reduction on the previous reported figure of £524,647 as at 31 July 2013.

12.2 Of this figure an amount of £66,845 (£67,281 as at 31 July 2013) was due from debtors relating to invoices that are more than 85 days old, equating to 53.87% (12.82% as at 31 July 2013) of the total debt outstanding. Table 6 below provides a summary of all debt outstanding as at 30 September 2013.

TABLE 6 – OUTSTANDING DEBT AS AT 30 SEPTEMBER 2013

	Total Value £	**%**
Current (allowed 28 days in which to pay invoice)	35,521	28.62%
1 to 28 days overdue	575	0.47%
29-56 days overdue	14,636	11.79%
57-84 days overdue	6,511	5.25%
Over 85 days overdue	66,845	53.87%
Total Debt Outstanding as at 30 September 2013	**124,088**	**100.00%**

12.3 Table 7 below provides further analysis of those debts in excess of 85 days old.

TABLE 7 – DEBTS OUTSTANDING FOR MORE THAN 85 DAYS

	No	Total Value	Action Taken
Individual Debts less than £1,000	9	£4,158	Each debt being pursued by the Risk and Insurance Officer.
Georgia Group	1	£62,687	This is a claim that relates to a breach of contract and refunds due to the Authority in relation to training courses not delivered. The Authority is in dispute with the Georgia Group over this issue and is progressing legal options to secure a successful resolution.

Payment of Supplier Invoices within 30 days

12.4 The Authority attempts to pay its suppliers promptly. The target is that 98% of invoices should be paid within 30 days (or other agreed credit terms). Actual performance to the end of September 2013 was 93.50%, an improvement on the previous reported figure of 90.61% as at 31 July 2013. The Finance Team are working with administrative staff across the Service with a view to identify changes to current processes which will improve performance further.

KEVIN WOODWARD
Treasurer to the Authority

APPENDIX A TO REPORT RC/13/11 – PRUDENTIAL INDICATORS 2013-2014

Prudential Indicators and Treasury Management Indicators	Forecast £m	Target £m	Variance (favourable) /adverse
Capital Expenditure	**5.272**	**6.360**	**(£1.088m)**
External Borrowing vs Capital Financing Requirement (CFR) - Total - Borrowing - Other long term liabilities	**27.746** 26.214 1.532	**27.510** 25.978 1.532	**£0.236m**
External borrowing vs Authorised limit for external debt - Total - Borrowing - Other long term liabilities	**27.746** 26.214 1.532	**34.290** 32.770 1.520	**(£6.544m)**
Debt Ratio (debt charges as a %age of total revenue budget	**3.85%**	**3.85%**	**(0.00)bp**
Cost of Borrowing – Total - Interest on existing debt as at 31-3-13 - Interest on proposed new debt in 2013-14	**1.132** 1.132 0.000	**1.132** 1.132 0.000	**(£0.000m)**
Investment Income – full year	**0.100**	**0.100**	**(£0.000m)**
	Actual (30 Sept 2013) %	**Target for quarter %**	Variance (favourable) /adverse
Investment Return	**0.41%**	**0.39%**	**(0.02)bp**

Prudential Indicators and Treasury Management Indicators	Forecast (31 March 2014) %	Target Upper limit %	Target Lower limit %	Variance (favourable) /adverse %
Limit of fixed interest rates based on net debt	100.00%	100.00%	70.00%	0.00%
Limit of variable interest rates based on net debt	0.00%	30.00%	0.00%	(30.00%)
Maturity structure of borrowing limits				
Under 12 months	3.51%	30.00%	0.00%	(26.49%)
12 months to 2 years	0.99%	30.00%	0.00%	(29.01%)
2 years to 5 years	1.15%	50.00%	0.00%	(48.85%)
5 years to 10 years	5.03%	75.00%	0.00%	(69.97%)
10 years and above - 10 years to 20 years - 20 years to 30 years - 30 years to 40 years - 40 years to 50 years	**89.31%** 16.59% 13.62% 24.66% 34.45%	**100.00%**	**50.00%**	**(10.69%)**