

<b>REPORT REFERENCE NO.</b>	RC/24/6
<b>MEETING</b>	RESOURCES COMMITTEE
<b>DATE OF MEETING</b>	5 FEBRUARY 2024
<b>SUBJECT OF REPORT</b>	FINANCIAL PERFORMANCE REPORT 2023-24 – QUARTER 3
<b>LEAD OFFICER</b>	Director of Finance & Corporate Services (Treasurer)
<b>RECOMMENDATIONS</b>	<p>(a) <i>That the monitoring position in relation to projected spending against the 2023-24 revenue and capital budgets be noted;</i></p> <p>(b) <i>That the performance against the 2023-24 financial targets be noted.</i></p>
<b>EXECUTIVE SUMMARY</b>	<p>This report provides the Committee with the third quarter performance against agreed financial targets for the current financial year. In particular, it provides a forecast of spending against the 2023-24 revenue budget with explanations of the major variations. At this stage in the financial year, it is forecast that spending will be £1.621m less than budget, an underspend of 1.9% of total budget.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated in the report.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS</b>	An initial assessment has not identified any equality issues emanating from this report.
<b>APPENDICES</b>	<p>A. Summary of Prudential Indicators 2023-24.</p> <p>B. Reserves Position by Reserve</p> <p>C. Reserves Position by Expense Code</p>
<b>BACKGROUND PAPERS</b>	None.

## 1. **INTRODUCTION**

- 1.1. This report provides the third quarterly financial monitoring report for the current financial year, based upon the position as at the end of December 2023. As well as providing projections of spending against the 2023-24 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 – PERFORMANCE AGAINST KEY FINANCIAL TARGETS 2023-24**

	Key Target	Target	Forecast Outturn		Forecast Variance	
			Quarter 3	Previous Quarter	Quarter 1%	Previous Quarter %
<b>Revenue Targets</b>						
1	Spending within agreed revenue budget	£85.413m	£83.548m	£84.596m	(1.90%)	(0.96%)
2	General Reserve Balance as % of total budget (minimum)	5.00%	5.01%	5.01%	(0.01)bp*	(0.01)bp
<b>Capital Targets</b>						
3	Spending within agreed capital budget	£13.086m	£6.423m	£9.126m	(50.9%)	(30.26%)
4	External Borrowing within Prudential Indicator limit	£25.155m	£24.426m	£24.426m	(2.90%)	(2.90%)
5	Debt Ratio (debt charges over total revenue budget)	5.00%	2.91%	2.91%	(2.09)bp*	(2.09)bp*

*\*bp = base points*

- 1.3. The remainder of the report is split into the three sections of:
- **SECTION A** – Revenue Budget 2023-24.
  - **SECTION B** – Capital Budget and Prudential Indicators 2023-24.
  - **SECTION C** – Other Financial Indicators.
  - **SECTION D** – Medium-Term Financial Plan.
- 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 2023-24

2.1. Table 2 below provides a summary of the forecast spending against all agreed subjective budget heads, e.g. employee costs, transport costs etc.

### TABLE 2 – REVENUE MONITORING STATEMENT 2023-24

DEVON & SOMERSET FIRE AND RESCUE AUTHORITY						
Revenue Budget Monitoring Report 2023/24						
	2023/24 Budget	Year To Date Budget	Spending to Month 9	Projected Outturn	Projected Variance over/ under	Projected Variance over/ under
	£'000	£'000	£'000	£'000	£'000	%
<b>Employee Costs</b>						
1	Wholetime	36,700	27,479	26,291	35,701	(999) -2.7%
2	On-Call	21,410	15,632	13,720	21,161	(249) -1.2%
3	Fire Control	1,675	1,252	1,252	1,684	10 0.6%
4	Professional & Technical	16,742	12,550	11,662	15,770	(972) -5.8%
5	Training	753	565	747	706	(47) -6.2%
6	Fire Service Pension costs	2,480	2,045	1,641	2,589	109 4.4%
		<b>79,760</b>	<b>59,523</b>	<b>55,312</b>	<b>77,612</b>	<b>(2,148)</b>
<b>Premises</b>						
7	Repair and maintenance	1,133	850	814	1,087	(46) -4.1%
8	Energy costs	1,104	739	521	1,082	(22) -2.0%
9	Cleaning costs	626	470	529	628	2 0.2%
10	Rent and rates	2,082	1,834	1,976	2,044	(38) -1.8%
		<b>4,945</b>	<b>3,892</b>	<b>3,840</b>	<b>4,840</b>	<b>(104)</b>
<b>Transport</b>						
11	Repair and maintenance	713	535	507	672	(41) -5.8%
12	Running costs and insurances	1,597	1,242	1,279	1,298	(299) -18.7%
13	Travel and subsistence	1,528	1,048	938	1,237	(291) -19.1%
		<b>3,838</b>	<b>2,825</b>	<b>2,725</b>	<b>3,207</b>	<b>(632)</b>
<b>Supplies &amp; Services</b>						
14	Equipment and furniture	3,697	2,773	2,712	3,873	176 4.7%
15	Hydrants-installation and maintenance	196	147	164	240	44 22.7%
16	Communications Equipment	2,716	2,037	2,485	2,616	(100) -3.7%
17	Protective Clothing	605	454	297	523	(82) -13.5%
18	External Fees and Services	125	94	225	271	146 117.4%
19	Partnerships & regional collaborative projects	310	232	166	324	14 4.6%
20	Catering	24	18	16	22	(2) -8.1%
		<b>7,672</b>	<b>5,754</b>	<b>6,065</b>	<b>7,869</b>	<b>197</b>
<b>Establishment Costs</b>						
21	Printing, stationery and office expenses	247	201	205	252	5 2.2%
22	Advertising including Community Safety	31	23	9	22	(9) -29.4%
23	Insurances	504	503	814	509	5 1.0%
		<b>781</b>	<b>727</b>	<b>1,029</b>	<b>782</b>	<b>1</b>
<b>Payments to Other Authorities</b>						
24	Support service contracts	1,091	783	577	971	(119) -10.9%
		<b>1,091</b>	<b>783</b>	<b>577</b>	<b>971</b>	<b>(119)</b>
<b>Capital Financing</b>						
25	Loan Charges & Lease rentals	3,140	515	625	3,139	(1) 0.0%
26	Revenue Contribution to Capital Spending	50	-	-	10	(40) -80.0%
		<b>3,190</b>	<b>515</b>	<b>625</b>	<b>3,149</b>	<b>(41)</b>
<b>Income</b>						
28	Investment Income	(525)	(394)	(959)	(1,709)	(1,184) 225.5%
29	Grants and reimbursements	(11,671)	(8,753)	(11,206)	(12,163)	(492) 4.2%
30	Other income	(731)	(548)	(484)	(852)	(121) 16.6%
		<b>(12,927)</b>	<b>(9,695)</b>	<b>(12,648)</b>	<b>(14,724)</b>	<b>(1,797)</b>
<b>Reserves</b>						
32	Transfer to/(from) Earmarked Reserves	(2,937)	(2,203)	85	(159)	3,022 -102.9%
		<b>(2,937)</b>	<b>(2,203)</b>	<b>85</b>	<b>(159)</b>	<b>3,022</b>
	<b>NET SPENDING</b>	<b>85,413</b>	<b>62,121</b>	<b>57,609</b>	<b>83,548</b>	<b>(1,621) -1.9%</b>

- 2.2. This table indicates that spending by the year end is forecast to be £83.548m, representing a predicted underspend of £1.621m, equivalent to 1.90% of the total budget. It should be noted that 'Spending to month 9' represents actual year to date expenditure and those which have already been committed but not spent as yet. Additionally, the budget profile and actual costs for Service Delivery staff (i.e. Wholetime and On-call) appear low due to the time lag in claiming the hours worked – for instance, time worked in June is paid in July. This naturally catches up at year-end when there are two payroll entries for March relating to claims worked in February and March.
- 2.3. These forecasts are based on the spending position at the end of December 2023, 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. on-call pay costs which are linked to activity levels. It is inevitable, therefore, that final spending figures for the financial year will differ than those projected in this report.
- 2.4. Reporting of variances has switched from a flat rate (previously £0.050m) to a percentage of the budget of either 2% for pay lines or 5% for non-pay lines. This is to ensure the narrative is more meaningful and to also hone-in on the major variances. That said, the Treasurer reserves the right to report on budgets that fall outside of this. (e.g. based on materiality etc.)
- Wholetime pay: underspend of £0.999m – 2.7% of budget.**
- 2.5. A number of vacancies, within the Service has resulted in this forecasted underspend. Notable vacancies are; a Business Change Manager (£0.100m), two posts within Prevention and Protection totalling £0.160m. Learning and Development have a vacancy which is forecast to save £0.045m. Vacancies within the station based personnel are being held open, pending a review of the shift patterns, which is forecast to save £0.637m this year.
- Professional & Technical pay: underspend of £0.972m – 5.8% of budget.**
- 2.6. Multiple vacancies across the Service has resulted in this forecasted underspend position. Notable savings per Directorate are listed overleaf.

Professional & Technical Variances	
Department	£m
Assistant Director - Corporate Services Portfolio	(0.063)
Chief Fire Officer Portfolio	(0.069)
Corporate Services Portfolio	(0.133)
Service Delivery Portfolio	(0.310)
Service Delivery Support Portfolio	(0.366)
Other	(0.031)
<b>Total</b>	<b>(0.972)</b>

***Training: underspend of £0.047m – 6.2% of budget***

- 2.7. Difficulties in recruiting suitable staff within Protection has delayed the planned training. This has resulted in a £0.063m underspend. Minor variances across multiple budget heads account for the balance.

***Fire Service Pension Costs: overspend of £0.109m – 4.4% of budget.***

- 2.8. An unbudgeted increase in costs associated with injury benefits of £0.086m is the major contributor to this overspend position.

***Repair and Maintenance (transport): underspend of £0.041m – 5.8% of budget.***

- 2.9. A delay in the fit-out of officer response cars (due to a delay in delivery) has resulted in a forecasted underspend of £0.060m against this line. The balance is made up of minor variations in spend across multiple spend categories.

***Transport running Costs and Insurance: underspend of £0.299m – 18.7% of budget.***

- 2.10. There is a large underspend associated with the reduction in wholesale vehicle fuel prices. This is currently forecasting an underspend of £0.267m.

***Travel and Subsistence: £0.291m underspend – 19.1% of budget.***

- 2.11. The largest underspend is on lease car rental of £0.245m due to a delay in the delivery of replacement vehicles. The budget was built on the basis that the replacement vehicles were more expensive. As these have been delayed, the cheaper current vehicles have been extended producing the savings. A further saving on casual mileage of £0.035m is expected.

***Hydrants – installation and maintenance: overspend of £0.044m – 22.7% of budget.***

- 2.12. One of the water companies the Service use has recruited a member of staff with the intention of clearing the back-log of invoices for maintenance of the network. This has resulted in the stipulated overspend.

***Protective Clothing: underspend of £0.082m – 13.5% of budget.***

- 2.13. Lower demand on the stores for replacement Personal Protective Equipment (PPE) has resulted in a forecasted underspend.

***External Fees and Services: overspend of £0.146m – 117.4% of budget.***

- 2.14. Costs incurred in relation to a grant bid submitted relating to the Low Carbon Skills Fund of £0.098m have resulted in this overspend. These costs are match-funded by a grant (net-nil) which is found within row 29 of the report.

***Catering: Underspend of £0.002m – 8.1% of budget.***

- 2.15. A very small variance in meal provision from within the Academy has led to this modest underspend.

***Advertising including Community Safety: underspend of £0.009m – 29.4% of budget.***

- 2.15. An underspend of £0.009m on recruitment advertising is the reason for this forecasted underspend position.

***Support Service Contracts: £0.119m underspend – 10.9% of budget***

- 2.16. A new contract that offered better value-for-money coupled with closer management of the provision has resulted in a forecasted underspend on occupational health costs of £0.146m. This is off-set in an overspend on legal fees of £0.023m

***Revenue Contribution to Capital Spending: underspend of £0.010m – 80.0% of budget.***

- 2.17. Due to a reduction in income from Red One (resulted from limitations of the facilities at the Academy) the amount that can be used to support the Capital Programme has been reduced.

***Investment Income: £1.184m over-recovery – 225.5% of budget***

- 2.18. The expectation when the budget was set was for interest rates to fall during Q3 of 2023. The opposite has happened which has seen bank base rates rise from 4% in February 2023 to 5.25% which continues to date. This has resulted in the returns on investments being much healthier than anticipated. Coupled with this is the delay in the Capital programme, this means the Authority have more cash available to invest. More detail can be found within the Treasury Management paper elsewhere within the agenda.

***Other income: over-recovery of £0.121m – 16.6% of budget.***

- 2.19. Co-responding income is anticipated to over-recover by £0.109m, due to greater activity, which has resulted in the majority of this forecasted is over-recovery.

***Transfer to/(from) Earmarked Reserves: £3.022m under budget – 100.00% of budget***

- 2.20. Members will remember that at the budget setting meeting for the Authority held on the 15 February 2023, delegated authority was given to the Treasurer to fund the additional pay awards (5% for grey book staff and an anticipated 5% for green book staff) up to a maximum of £2.8m.(Ref DSFRA/22/31)
- 2.21. This has been actioned in order that budget holders have the correct devolved budget allocated to them. However, due to underspends detailed above, it is unlikely this amount will be required and can be returned back to the Reserve. A detailed plan will be presented to the Authority at year-end presenting the options for use of the underspend.

**3. RESERVES AND PROVISIONS**

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

## Reserves

3.2. 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, and the amount is greater than the delegated limited allocated to the Treasurer, 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.

3.3 There will be a proposal at the 2023-24 year-end to return the £2.8m used to cover the additional costs associated with the pay awards back into the Capital Reserve as it hasn't been required. Table 3 reflects that proposed return.

## Provisions

3.3. 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.

3.4. A summary of predicted balances on Reserves and Provisions is shown in Table 3 below.

**TABLE 3 – FORECAST RESERVES AND PROVISION BALANCES**

RESERVES AND PROVISIONS						
	Balance as	Approved	Proposed	Spending	Forecast	Forecast
	at 1 April	Transfers	Transfers	Month 9	Outturn	Balance as at
	2023	£'000	£'000	£'000	2023/24	31 March
	£'000	£'000	£'000	£'000	£'000	2024
						£'000
<b>RESERVES</b>						
<b>Earmarked reserves</b>						
Grants unapplied from previous years	(1,137)	-	-	103	754	(383)
Invest to Improve	(1,878)	(85)	-	850	1,513	(451)
Budget Smoothing Reserve	(666)	-	-	-	-	(666)
Direct Funding to Capital	(15,424)	2,800	(2,800)	(10)	4,592	(10,832)
Projects, risks, & budget carry forwards	-	-	-	-	-	-
PFI Equalisation	(50)	-	-	-	-	(50)
Emergency Services Mobile Communications Programme	(1,050)	-	-	-	-	(1,050)
Mobile Data Terminals Replacement	(145)	-	-	-	-	(145)
Pension Liability reserve	(1,218)	-	-	-	150	(1,068)
Budget Carry Forwards	(890)	-	-	468	776	(114)
Environmental Strategy	(243)	-	-	112	112	(131)
Uncategorised	-	-	-	-	-	-
MTA Action Plan	(76)	-	-	-	-	(76)
<b>Total earmarked reserves</b>	<b>(22,777)</b>	<b>2,715</b>	<b>(2,800)</b>	<b>1,522</b>	<b>7,897</b>	<b>(14,966)</b>
<b>General reserve</b>						
General Fund (non Earmarked) Balance	(4,280)	-	-	-	-	(4,280)
Percentage of general reserve compared to net budget						
<b>TOTAL RESERVE BALANCES</b>	<b>(27,057)</b>	<b>2,715</b>	<b>(2,800)</b>	<b>1,522</b>	<b>7,897</b>	<b>(19,246)</b>
<b>PROVISIONS</b>						
Doubtful Debt	(55)	-	-	-	-	(55)

4. **SECTION B – CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2023-24**

***Monitoring of Capital Spending in 2023-24***

4.1. Table 4 provides a summary of anticipated expenditure for this financial year and demonstrates the funding requirements.

4.2. At the end of Quarter 3, we are forecasting to underspend of £6.639m – which includes an optimism bias built in to allow for some timing differences. Timing differences (slippage into next year) are forecast to be £6.639m of which notable items are; £1.834m relates to the rebuild of Camels Head Fire Station and £0.970m relates to Paignton Fire Station refurbishment. The delivery of the Aerial Ladder Platform's has been delayed until Q2 and Q3 2024 which accounts for £0.510m with the new Medium Rescue Pumps (MRP) and All-Wheeled Drive MRP's which delayed until Q2/3 2024 which accounts for £1.412m.

4.3 The sale of Redwoods at Service Headquarters completed late December 2023, therefore the capital receipt is included within table 4 below:

**TABLE 4 – FORECAST CAPITAL EXPENDITURE 2023-24**

<b>Capital Programme 2023-24</b>					
	<b>2023/24 £000</b>	<b>2023/24 £000</b>	<b>2023/24 £000</b>	<b>2023/24 £000</b>	<b>2023/24 £000</b>
<b>PROJECT</b>	<b>Revised Budget</b>	<b>Forecast Outturn</b>	<b>Actuals</b>	<b>Timing Differences</b>	<b>(Savings)/ Over- spend</b>
<b>Estate Development</b>					
Site re/new build	1,919	85	(48)	(1,834)	0
Improvements & structural maintenance	5,009	1,040	402	(3,962)	(7)
<b>Estates Sub Total</b>	<b>6,928</b>	<b>1,125</b>	<b>354</b>	<b>(5,796)</b>	<b>(7)</b>
<b>Fleet &amp; Equipment</b>					
Appliance replacement	4,522	3,150	1,145	(1,388)	16
Specialist Operational Vehicles	2,266	1,913	1,795	(335)	(18)
ICT Department	570	235	235	(320)	(15)
<b>Fleet &amp; Equipment Sub Total</b>	<b>7,358</b>	<b>5,298</b>	<b>3,175</b>	<b>(2,043)</b>	<b>(17)</b>
Optimism bias	(1,200)		0	1,200	0
<b>Overall Capital Totals</b>	<b>13,086</b>	<b>6,423</b>	<b>3,529</b>	<b>(6,639)</b>	<b>(24)</b>
<b>Programme funding</b>					
Earmarked Reserves:					
Earmarked Reserves:	11,753	4,769	0	(6,639)	(24)
Revenue funds:	50	10	0	0	0
Capital Receipt	0	361	361	0	0
Borrowing - internal	1,283	1,283	0	0	0
<b>Total Funding</b>	<b>13,086</b>	<b>6,423</b>	<b>0</b>	<b>(6,639)</b>	<b>(24)</b>



### ***Prudential Indicators (including Treasury Management)***

- 4.4 Total external borrowing with the Public Works Loan Board (PWLB) as at 31 December 2023 stands at £24.218m and is forecast to reduce to £23.771m as at 31 March 2024. This level of borrowing is well within the Authorised Limit for external debt of £26.376m (the absolute maximum the Authority has agreed as affordable). No new external borrowing is planned in this financial year.
- 4.5 Investment returns in the quarter yielded an average return of 5.40% which outperforms the SONIA 3 Month return (industry benchmark) by 0.21bp. It is forecast that investment returns from short-term deposits will overachieve the budgeted figure by £1.183m at 31 March 2024.
- 4.6 Appendix A provides a summary of performance against all of the agreed Prudential Indicators for 2023-24, which illustrates that there is no anticipated breach of any of these indicators.

## **5. SECTION C - OTHER FINANCIAL PERFORMANCE INDICATORS**

### ***Aged Debt Analysis***

- 5.1. Total debtor invoices outstanding as at Quarter 3 were £0.294m table 5 below provides a summary of all debt outstanding as at 31 December 2023.
- 5.2. Of this figure an amount of £0.272m was due from debtors relating to invoices that are more than 85 days old, equating to 93% of the total debt outstanding.

**TABLE 5 – OUTSTANDING DEBT AT END OF QUARTER**

	<b>Total Value £</b>	<b>%</b>
Current (allowed 28 days in which to pay invoice)	6,759	2.3%
29-56 days	14,772	5.0%
57-84 days	0.00	0.0%
Over 85 days	272,298	92.7%
<b>Total Debt Outstanding as at 30 December 2023</b>	<b>293,829</b>	<b>100.00%</b>

- 5.3. Table 6 below provides further analysis of those debts in excess of 85 days old.

**TABLE 6 – DEBTS OUTSTANDING FOR MORE THAN 85 DAYS**

	<b>No</b>	<b>Total Value</b>	<b>Action Taken</b>
Red One Ltd	9	£209,959	A repayment plan for 2023-24 has been agreed with the subsidiary company and is reviewed each quarter.

Others.	9	£62,339	Invoices relating to officers seconded to the NFCC (0.049m) and to the Avon & Somerset PCC (£0.013m) relating to rental at a shared station account for the majority of this amount. We are in dialogue with them about payment.
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## **6. SECTION D – MEDIUM-TERM FINANCIAL PLAN**

- 6.1. The Medium-Term Financial Plan (MTFP) was presented to the Fire Authority on the 15 February 2023 where a number of scenarios were included based on the best, base and worse cases in relation to funding and costs.
- 6.2. The current MTFP identifies the need to reduce the costs for the Service over the next 3 years (2024-25, 2025-26 and 2026-27).
- 6.3. An update was presented to the Fire Authority on the 11 December 2023 where 4 initiatives were discussed:
- A change to the Whole Time duty System (Annualised Hours) which is estimated would save £1.3m.
  - Changes to the operating model for specialist rescue – estimated saving of £0.133m
  - Amendments to the Pay for Availability remuneration agreement which is estimated to save £0.250m, and
  - Amendments to the policy and practice for dealing with unwanted fore signals – estimated saving of £0.069m
- 6.4. Table 7 overleaf identifies the current position with regards to assumptions made regarding both funding and expenditure. Please note, at the time of writing this paper, the national non-domestic rates data hasn't been received (highlighted in yellow as it's an estimate at this stage) from the District/Unitary Councils so the figures will change. The initiatives listed above in paragraphs 6.3.have enabled the Authority to present a neutral position for 2024-25.

**TABLE 7 – MTFP SHORTFALL FOR THE FOLLOWING 3 YEAR PERIOD.**

<b>2. FINANCIAL PLANNING MODELLING</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
CORE REVENUE BUDGET	£92,910,000	£100,069,206	£104,620,149
REVENUE SUPPORT GRANT	£11,679,714	£11,901,628	£12,127,759
TARRIF TOP-UP	£11,324,047	£11,550,528	£11,781,538
NNDR	5,555,936	£5,667,055	£5,780,396
COUNCIL TAX BASE	636,966	647,157	657,512
ANTICIPATED INCREASE IN CT INCOME RESULTING FROM SECOND HOMES		£1,407,110	£1,407,110
COUNCIL TAX COLLECTION FUND SURPLUS	£855,991	£864,551	£873,196
COUNCIL TAX - BAND 'D' %	£99.68	£101.66	£103.68
COUNCIL TAX - BAND 'D' 0%	£96.79	£96.79	£96.79
<b>3. SAVINGS REQUIRED TO MEET COUNCIL TAX FIGURE</b>			
REDUCTION REQUIRED TO BASE BUDGET (CUMULATIVE)	-	(4,297,124)	(5,884,731)

- 6.5. The MTFP is a dynamic tool that is amended and updated as and when intelligence is presented to the Service with regards to funding and costs. Funding can cover increases in sources such as council tax, national non-domestic rates or Government support. Costs will include items such as inflation or changes to legislation that have an impact.

**SHAYNE SCOTT**

**Director of Finance and Corporate Services (Treasurer)**

**APPENDIX A TO REPORT RC/24/6**

**PRUDENTIAL INDICATORS 2023-24**

Prudential Indicators and Treasury Management Indicators		Forecast Outturn £m	Target £m	Variance (favourable) /adverse £m
Capital Expenditure		<b>6.423</b>	<b>13.086</b>	<b>(6.663)</b>
External Borrowing vs Capital Financing Requirement (CFR) - Total		<b>24.427</b>	<b>24.427</b>	<b>£0.000</b>
- Borrowing		23.771	23.771	
- Other long term liabilities		0.656	0.656	
External borrowing vs Authorised limit for external debt - Total		<b>25.055</b>	<b>26.376</b>	<b>(1.321)</b>
- Borrowing		23.771	25.553	
- Other long term liabilities		0.656	0.823	
Debt Ratio (debt charges as a %age of total revenue budget)		<b>1.88%</b>	<b>5.00%</b>	<b>(3.12)bp</b>
Cost of Borrowing – Total		<b>1.030</b>	<b>1.030</b>	<b>(0.000)</b>
- Interest on existing debt as at 31-3-2023		1.030	1.030	
- Interest on proposed new debt in 2023-24		0.000	0.000	
Investment Income – full year		<b>1.709</b>	<b>0.525</b>	<b>(1.184)</b>
		<b>Actual (31 December 2023) %</b>	<b>Target for quarter %</b>	Variance (favourable) /adverse
Investment Return		<b>5.40%</b>	<b>5.19%</b>	<b>(0.21)bp</b>
Prudential Indicators and Treasury Management Indicators	Forecast (31 March 2024) %	Target Upper limit %	Target Lower limit %	Variance (favourable) /adverse %
Limit of fixed interest rates based on net debt	100.00%	100.00%	70.00%	<b>0.00%</b>
Limit of variable interest rates based on net debt	0.00%	30.00%	0.00%	<b>(30.00%)</b>
Maturity structure of borrowing limits				
Under 12 months	2.03%	30.00%	2.00%	<b>(28.01%)</b>
12 months to 2 years	2.27%	30.00%	2.00%	<b>(28.15%)</b>
2 years to 5 years	13.25%	50.00%	14.00%	<b>(36.75%)</b>
5 years to 10 years	0.75%	75.00%	1.00%	<b>(73.89%)</b>
10 years and above	<b>81.43%</b>	<b>100.00%</b>	<b>81.00%</b>	<b>(20.19%)</b>
- 10 years to 20 years	17.31%			
- 20 years to 30 years	25.55%			
- 30 years to 40 years	38.57%			
- 40 years to 50 years	0.00%			

**APPENDIX B TO REPORT RC/24/6**

<b>DSFRS Reserves in detail</b>	<b>Budget</b>	<b>Committed spend</b>	<b>Forecast spend</b>	<b>Balance remaining</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Asset Management & Tracking	142	87	142	-
Audit Assurance EMR	11	8	10	2
Availability Systems	12	33	12	-
Budget Smoothing Reserve	666	-	666	-
Capital Support from 2011/12	15,500	-	7,616	7,884
CLG USAR Grant	55	20	55	-
Command support project	126	-	126	-
CT Irrecoverable Deficits	489	-	244	245
Digital Trans Strategy	332	243	243	89
Dignity At Work - HMICFRS	178	2	178	-
Environmental Strategy	243	112	243	-
ESMCP (reserve funding)	474	(6)	(1)	475
ESMCP Home Office Grant	576	6	6	570
Estate Conditional Survey	60	-	60	-
Future of Work	88	-	88	-
Grenfell Infrastructure grant	38	6	43	(5)
Haz Mat Det and ID Equip	17	-	17	-
Health and Safety Resource	16	16	16	-
ICT Managed Switch Replacement	55	-	55	-
Information Governance FTC	3	3	3	-
Invest to Improve Reserve	361	-	214	147
Learn 2 Live	59	8	15	44
Livery and Blue Light fit out	15	-	-	15
Management of Risk Information	171	-	171	-
MDT Replacement	145	-	145	-
NNDR Additional Reliefs	334	-	334	-
Office 365 Project	58	48	58	-
Pay for availability	61	1	6	55
Pensions Admin Grant c/f	114	-	25	89
Pensions Reserve	1,218	-	150	1,068
People Services System	579	274	579	-
Personal Misting Systems	8	1	1	7
PFI equalisation reserve	50	-	-	50
Prev Accred grant c/f	4	0	4	-
Protection uplift grant c/f	43	22	43	-
Bequest Axminster Gym Equip	-	(10)	0	-
Station Mobilising Equipment	380	380	380	-
Temp accom for capital project	92	14	34	58
Topsham Relocation	33	-	20	13
Vehicle Telematics	49	18	36	12
Website Comp and Comms Strat	3	-	-	3
	<b>22,862</b>	<b>1,287</b>	<b>12,039</b>	<b>10,821</b>

**APPENDIX C TO REPORT RC/24/6**

<b>DSFRS Reserves in detail</b>	<b>Committed spend £'000</b>	<b>Forecast spend £'000</b>
Fire Protection Training Exter	-	4
External Trainer Hire	2	38
Retained Retainers Old	3	12
Admin/Manage Salary	87	207
Agency Staff Admin	267	243
Admin/Manage Salary NI	8	9
Admin/Manage Salary Superan	14	17
Unforseen Other Contractor	112	231
Refuse Collection loc. sourced	-	-
Rents - Non Building	2	2
Standard Equipment	119	2,194
ICT Desktop Service	-	88
ICT Application Services (Oth)	210	564
ICT Infrastructure Service	46	66
ICT Mobs Service Equipment	380	380
ICT Sat Nav Serv/Vehicle track	18	36
External Prof Support/Advice	24	151
Capital Exp from Rev Account	-	7,792
Other Miscellaneous Income	<b>(10)</b>	-
	<b>1,287</b>	<b>12,039</b>