

<b>REPORT REFERENCE NO.</b>	<b>RC/18/10</b>
<b>MEETING</b>	<b>RESOURCES COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>16 May 2018</b>
<b>SUBJECT OF REPORT</b>	<b>PROVISIONAL FINANCIAL OUTTURN 2017-18</b>
<b>LEAD OFFICER</b>	<b>Director of Finance (Treasurer)</b>
<b>RECOMMENDATIONS</b>	<p><b>(a) That the Devon &amp; Somerset Fire &amp; Rescue Authority be recommended to approve the transfer of the provisional underspend against the 2017-18 revenue budget of £0.322m to the Comprehensive Spending Review Reserve as outlined in paragraph 6.1 of this report;</b></p> <p><b>(b) That, subject to (a) above, the following be noted:</b></p> <p><b>(i) The draft position in respect of the 2017-18 Revenue and Capital Outturn position, as indicated in this report.</b></p> <p><b>(ii) That the underspend figure of £0.322m is after:</b></p> <ul style="list-style-type: none"> <li><b>A. Transfers of £0.601m for Airwave, Urban Search and Rescue and the Severn Park Private Finance Initiative as agreed at previous Resources Committees (para 5.1(a));</b></li> <li><b>B. A transfer of £0.323m to the Reserve for Capital funding (para 5.1(b));</b></li> <li><b>C. A transfer of £0.157m to the Grants Unapplied Reserve as required under International Financial Reporting Standards (IFRS) relating to grants received during the financial year but not utilised (para 5.1(c));</b></li> <li><b>D. Reallocation of £2.450m of Capital Funding to support Equipment Purchases now classified as Revenue Expenditure (para. 5.1(d)); and</b></li> <li><b>E. Additional provisions relating to pension liabilities and doubtful debts of £0.069m (para. 5.1(e)).</b></li> </ul>
<b>EXECUTIVE SUMMARY</b>	<p>This report sets out the draft financial outturn position for 2017-18 against agreed financial targets.</p> <p>In particular, it provides a draft outturn spending position against the 2017-18 revenue budget with explanations of the major variations. Spending will be £0.322m below budget, (net of transfers to Earmarked reserves noted in this report) equivalent to 0.44% of the total budget.</p> <p>This saving is largely due to income in excess of budget received from Red One Ltd, the Authority's wholly owned subsidiary.</p> <p>The figures included in this report are provisional at this stage, subject to external audit of the Accounts during July 2018.</p>

<b>RESOURCE IMPLICATIONS</b>	As indicated in the report
<b>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</b>	The contents of this report are considered compatible with existing equalities and human rights legislation.
<b>APPENDICES</b>	<ul style="list-style-type: none"> <li>A. Provisional Revenue Outturn Position 2017-18.</li> <li>B. Summary of Reserve and Provision Balances at 31 March 2018</li> </ul>
<b>LIST OF BACKGROUND PAPERS</b>	None

## **1. INTRODUCTION**

- 1.1 This report provides the Authority with the final outturn position (subject to audit) for revenue and capital spending for the financial year 2017-18, and makes recommendations as to how the underspend against the revenue budget is to be utilised. The report is in two parts. Section 1 deals with the revenue outturn position while Section 2 deals with the position in relation to capital spending.
- 1.2 The Authority is well aware of the difficult financial climate that local authorities are currently operating under as a result of cuts in government funding. In setting the 2017-18 revenue budget for the Authority in February 2017, consideration of the Medium Term Financial Plan (MTFP) recognised that further recurring savings will be required over the next three years to 2020-21 over above the savings already achieved by the implementation of the changes agreed as part of the 2013 Corporate Plan . Further details of savings requirements, forecast within the MTFP targets, are included at section 7 of this report.
- 1.3 Mindful of this difficult outlook the strategy adopted during the last financial year 2017-18 was to balance the budget using Reserves for one year only whilst focussing on development of the Authority's strategy to improve the Service and release savings in the future. Budget monitoring reports submitted to meetings of the Resources Committee during the financial year have identified that adoption of this strategy was anticipated to deliver expenditure equivalent to the budget (previous forecast at Quarter 3 was for an outturn position of £0.00m against budget). The provisional outturn figure for 2016-17, now included in this report, is for an under spend of £0.322m, equivalent to 0.44% of the total budget
- 1.4 This is, of course, a welcome result and provides the opportunity to transfer this amount into Reserve balances to be utilised in the best possible way to assist future budget setting. However, this is a one-off saving and can therefore be used only once. It is not a sustainable solution to the Authority's forecast budget shortfalls. Members will recall that in setting a balanced budget in February 2017 for the previous financial year (2017-18), an amount of £2.4m has already been taken from the base budget as part of on-going revenue saving requirements.

## **2. SECTION 1 – REVENUE OUTTURN 2017-18**

- 2.1 Total revenue spending in 2017-18 was £72.273m compared to an agreed budget of £72.596m, resulting in an underspend of £0.322m, equivalent to 0.44% of total budget. A summary of spending is shown in Table 1 overleaf and Appendix A provides a more detailed analysis of spending against individual budget heads.

**TABLE 1 – SUMMARY OF REVENUE SPENDING 2017-18**

	£m	£m	£m
<b>Approved Budget</b>			<b>72.596</b>
Gross Spending (Appendix A Line 28)	74.282		
Gross Income (Appendix A Line 33)	(5.540)		
Net Spending		68.743	
<u>PLUS Transfers to Earmarked Reserves</u>			
- Transfers to Reserves included in budget (Appendix A Line 35)	0.601		
- Capital Funding (Appendix A Line 36)	0.323		
- Grants Unapplied (Appendix A Line 37)	0.157		
- Reallocation of Capital funding to Equipment Reserves	2.450		
Total Transfer to Earmarked Reserves (Appendix A Line 38)		3.531	
TOTAL NET SPENDING			72.273
<b>NET UNDERSPEND</b>			<b>(0.322)</b>

- 2.2 These figures are based upon the spending position at the end of March 2018 and whilst they provide a provisional financial performance for the year, are subject to final accounting adjustments and audit scrutiny for the year end.
- 2.3 The underspend is after several variances against budget as reported in Appendix A to this report but is mainly due to income from Red One Limited being £0.445m in excess of the budgeted figure of £0.075m, which was set as a result of the previous strategy to minimise the Authority's reliance on Red One income.
- 2.4 Variances against other budget heads e.g. Uniformed staffing costs, Training Expenses and Capital Financing Costs are also reported. Explanations of the more significant variations from budget (over £50k variance) are explained below.

### **VARIATION AGAINST BUDGET**

#### ***Wholetime Staff***

- 3.1 Wholetime uniform staff – expenditure exceeded the budget of £27.692m by £1.047m – Temporary arrangements to support the On-call system have been in place throughout the year at a cost of £0.565m and pre-arranged overtime of £0.566m has been paid to cover vacancies and shifts whilst the new recruits are in their training phase. Of this spend, £0.237m has been recovered through secondment agreements for the ODA (Predictive Analytics) Project and Hinkley Point (please see paragraph 3.13 below). Also included in this amount is a year-end provision of £0.019m towards potential back pay of pensions on allowances. Some of these issues will persist in to 2018-19 until full implementation of a risk based service delivery model and will be closely monitored by officers.

#### ***On-Call Firefighters***

- 3.2 On-Call firefighters – this budget line is overspent by £0.078m due to pilot schemes earlier in the year to support availability which have now ceased.

### ***Control Room Staff***

- 3.3 Staffing costs within the Control Room were £0.153m under spent on its staffing budget due to vacancies in the earlier part of the year, which have now been filled.

### ***Training Expenses***

- 3.4 Training Expenses – Underspend of £0.129m which has resulted from savings in numerous Departments; professional training in support and administration departments is £0.063k under spent and the Training Academy is showing savings of £0.067m whilst leadership development pathways throughout the organisation are reviewed.

### ***Fire Service Pensions Recharge***

- 3.5 Pensions – Savings of £0.484m. The Authority Pensions cost can be highly variable depending on the timing of Ill Health and Injury retirements, where one case can result in costs in year in excess of £0.100m. There have been fewer retirements during the financial year than anticipated which may leave this budget line at risk in 2018-19 due to timing differences.

### ***Rent & Rates***

- 3.6 Rent and Rates – savings against budget of £0.072m as a result of successful appeals made by the Estates department against the business rates revaluations made during the year on multiple premises.

### ***Equipment and Furniture***

- 3.7 Equipment & Furniture – An outturn position of £2.417m against a budget of £2.595m – savings of £0.178m. There are two projects which will now be delivered in 2018-19: £0.052m to replace Thermal Imaging Cameras and £0.047m for misting systems on appliances. Additional timing differences have arisen from the delayed introduction of Rapid Intervention Vehicles (capital project slowed due to production line issues at the supplier), whereby the equipment for these appliances will not be purchased until the vehicles are delivered.

### ***Hydrants***

- 3.8 Due to vacancies in the Hydrants team, fewer routine checks and repairs have been completed than planned during the year, resulting in an under spend of £0.079m.

### ***Communications***

- 3.9 Savings against budget of £0.153m. The majority of this saving is due to slippage on a scheme to upgrade network infrastructure which will now be delivered in 2018-19. The communications budget line will be monitored during the year as there is a risk that an over spend will result from the delay to this project.

### ***Uniforms***

- 3.10 Personal Protective Equipment purchases, laundry and repairs have exceeded budget by £0.125m. These costs arise from an increase in condemned kit (for safety reasons, structural firefighting kit has a limited lifespan and must maintain a good level of integrity and repair) and a number of new recruits, both wholetime and on-call, who receive personal issue fire kit.

### ***Support Services Contracts***

- 3.11 The over spend of £0.0181m on support services contracts has arisen from several legal and employment cases which have exceeded budget by £0.111m and £0.071m respectively.

### ***Revenue contribution to Capital Spending***

- 3.12 Revenue Contribution to Capital – savings of £2.773m against budget. The full budget is still required in order to deliver planned projects in the future. The variance is due to timing differences per Section 2 of this report and is subject to transfer to Earmarked Reserves per paragraphs 4 and 5.1.

### ***Investment Income***

- 3.13 Investment income – has returned £0.108M greater than the budget of £0.079m. Due to timing differences within the Capital scheme, we have larger balances to invest which, when combined with strong yield performance has resulted in a greater return than budgeted.

### ***Grants and Re-imbursements***

- 3.14 Grants and Reimbursements –£0.235m less than budget. Officers were notified during the year that the Authority would receive its 2018-19 grant for National Resilience functions early and therefore a virement of £0.945m was requested and approved during the Quarter 3 monitoring process. When the grant was paid, only the Urban Search and Rescue element, amounting to £0.130m, was sent, resulting in a negative variance of £0.815m. Several grants have been received which were not included in the budget: £0.158m additional Airwave grant received in advance, £0.157m for Control upgrades (see paragraph 5.1(c)) and £0.026m for the 2016-17 final business rates reconciliation. Additionally, £0.237m of income has been generated from secondments (offset in Wholetime pay) to further reduce the variance to £0.235m.

### ***Other Income***

- 3.15 Other income is £0.802m better than budget. £0.444m relates to income from Red One for the use of Authority resources and staffing capacity. Support departments have generated income in excess of their budgets: Procurement frameworks have generated £0.066m of additional income, Insurance and Risk have recovered £0.080m from case management and Estates have received £0.035m more than their budget for site sharing. Funding of £0.054m has been received from partners to support the Heartstart initiative in Somerset and co-responding cost recovery was ££0.76m higher than anticipated. The remaining income is as a result of minor variances across multiple departments.

## **4. DIRECT REVENUE CONTRIBUTIONS TO CAPITAL**

- 4.1 Appendix A reflects that savings of £2.773m on Revenue Contribution to Capital arising in year are transferred directly to Earmarked reserves, made up of two elements:
- 4.2 **Reallocation of Capital funding to Equipment Reserves £2.450m** – Following a review of the Capital Programme prompted by the audit of the 2016-17 accounts, there have been several projects which have been identified as being better suited to revenue classification, due to the low value of the individual items being purchased. The threshold for Capital expenditure is £5,000 per item. There are two significant projects which require a specific revenue reserve to be established - £1.650m for replacement of Breathing Apparatus and £0.800m for Mobile Data Terminals in appliances.
- 4.3 **Timing differences** – The remaining £0.323m of Capital Funding has arisen from timing differences in the Capital Programme. The funding is still required and will be transferred to the Capital Funding Reserve.

## **5. CONTRIBUTION TO EARMARKED RESERVES**

5.1 A summary of predicted balances on Reserves and Provisions is shown in Appendix B to this report. These figures include those proposed transfers to Earmarked Reserves and provision outlined in this report and referenced in Appendix B which are recommended for approval:

a. **Budgeted Transfers to Reserves (£0.601m)** - Transfers for Airwave, Urban Search and Rescue function and the Severn Park Private Finance Initiative have been included in the budget presented at previous Resources Committees

b. **Capital Funding (£0.323m)** – as outlined in Paragraph 4.3 above, the balance of funding which was included in the Revenue budget for Capital funding is to be transferred to the Earmarked Reserve.

c. **Grants Unapplied (£0.157m)** - under International Financial Reporting Standards (IFRS) accounting arrangements, any unused grants at the year-end, which are not subject to repayment, are to be identified and carried forward to 2018-19 via an Earmarked reserve. There was one such grant which has been received which was not included in the budget: An amount has been received from the Home Office which relates to upgrading the Control Room network in preparation for the Emergency Services Mobile Communications Project. The grant will be transferred to the reserve already established for the project.

d. **Reallocation of Capital Funding to Equipment Reserves (£2.450m)** – as outlined in Paragraph 4.2 above, Revenue Contribution to Capital will be reclassified as Revenue Earmarked Reserves for Breathing Apparatus (£1.650m) and Mobile Data Terminals (£0.800m)

e. **Provisions (£0.069m)**- As detailed in paragraph 3.1 of this report, a further enhancement to the Provision for Firefighters pension scheme is recommended for the Pensionable Allowances 2017-18 element of £0.019m. Having reviewed the levels of year end debt for the Authority, a prudent provision for doubtful debts of £0.050m has been included which is absorbed in to administrative budget headings.

## **6. PROPOSALS FOR UTILISATION OF THE UNDERSPEND**

6.1 The Authority is asked to approve the recommendation that the underspend figure of £0.322m be used to fund a further transfer into the Comprehensive Spending review Earmarked Reserve to support future change activity and projects identified in paras. 3.7 and 3.9 that were budgeted in 2017-18 but not completed.

6.2 A summary position of Reserves and Provisions as at 31 March 2018, including the recommendations included in this report, is included as Appendix B to this report.

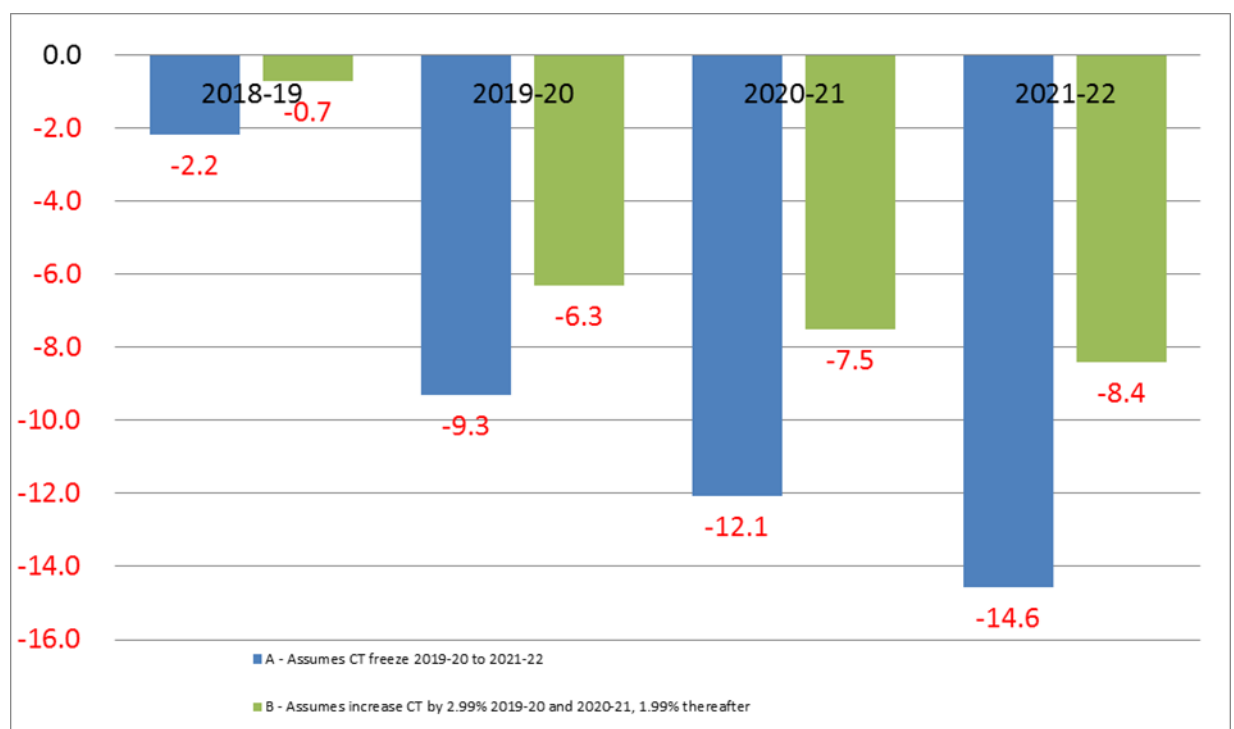
### ***Provisions***

6.3 Included in Appendix B is a summary of the Provision balances as at 31 March 2018, excluding the Provision for Doubtful Debt which is presented alongside the debtor account in the year end statements.. As part of the year-end process the Authority is required to review the adequacy of Provision balances and consider whether any changes during the year require additional amounts to be set aside. As a result of the most recent review it has been assessed that an additional charge of £0.068m should be set aside in Provisions.

## 7. IMPACT TO MEDIUM TERM FINANCIAL PLANNING

- 7.1 The Authority is well aware of the difficult financial climate currently being faced by local authorities as a result of significant reductions in government funding. Following acceptance by the government, of an Efficiency Plan the Authority has received a four-year settlement to 2019-20. The grant has reduced by £2.9m in 2017-18, and will decrease further by £1.7m by 2019-20. This means that the Medium Term Financial Plan (MTFP) needs to be planning for the significant reductions beyond 2017-18.
- 7.2 So far, the Authority has responded well, since 2011 a total of £15.9m of recurring efficiency savings have been identified and used to enable balanced budgets to have been set, including an amount of £0.7m in setting the budget for 2018-19. However the MTFP forecasts that a minimum of £7.7m of on-going savings will be required over the next three years to 2021-22 (if Council Tax is increased).

**CHART 1 – SUMMARY OF SAVINGS REQUIRED TO 2021-22**



- 7.3 As reported earlier the budget proposals included in the Corporate Plan agreed by the Authority in have now been fully implemented delivering total on-going savings of £6.8m.
- 7.4 The recommendation in this report, to provide a one-off contribution to the Comprehensive Spending Review Reserve of £0.322m, will enable the Authority to better respond to future austerity measures and invest in Service improvement and efficiency.

## 8. SUMMARY OF REVENUE SPENDING

- 8.1 Budget monitoring reports considered during the financial year have highlighted the strategy to support Red One Limited in its growth. It is pleasing therefore that this strategy has resulted in a final underspend position of £0.332m. This report makes proposals as to how this underspend can best be utilised and the Authority is invited to consider these with a view to approving the proposals.



## 9 SECTION 2 – CAPITAL OUTTURN 2017-18

9.1 The 2017-18 capital programme was originally set at £6.6m at the budget setting meeting held on the 17 February 2017. This programme figure has increased during the financial year to £7.5m, as a result of timing differences in spending from the previous year partly offset by a previous decision made by members to transfer £0.3m of Capital budget in to revenue. As has been reported to the Resources Committee during the year, whilst these changes represent a change in the 2017-18 programme they do not represent any increase to the previously agreed borrowing requirement.

9.2 Table 2 below provides a summary of the provisional outturn position against the agreed 2017-18 capital programme. Against a final capital programme of £7.503m, capital spending in year was £2.889m, resulting in unspent programme of £4.614m, of which £4.209m relates to timing delays to be carried forward to 2018-19, and £0.405m of savings.

**TABLE 2 – SUMMARY OF CAPITAL SPENDING IN 2017-18**

<b>PROJECT</b>	<b>2017/18 £000 Revised Budget</b>	<b>2017/18 £000 Forecast Outturn</b>	<b>2017/18 £000 Timing Differences</b>	<b>2017/18 £000 Re- scheduling/ Savings</b>
<b>Estate Development</b>				
Site re/new build	0	0	0	0
Improvements & structural maintenance	2,401	2,140	(275)	14
<b>Estates Sub Total</b>	<b>2,401</b>	<b>2,140</b>	<b>(275)</b>	<b>14</b>
<b>Fleet &amp; Equipment</b>				
Appliance replacement	3,567	508	(3,154)	95
Community Fire Safety	0	0	0	0
Specialist Operational Vehicles	187	163	0	(24)
Equipment	502	78	(333)	(91)
ICT Department	800	0	(400)	(400)
Water Rescue Boats	46	0	(46)	0
<b>Fleet &amp; Equipment Sub Total</b>	<b>5,102</b>	<b>749</b>	<b>(3,934)</b>	<b>(419)</b>
<b>Overall Capital Totals</b>	<b>7,503</b>	<b>2,889</b>	<b>(4,209)</b>	<b>(405)</b>

### ***Capital Spending 2017-18***

9.3 This Authority has a three year rolling capital programme, reviewed annually. This reflects changes in circumstances within individual projects and slippage that will occur from time to time. This has particularly been the case in relation to the appliance replacement programme and some Estates projects. Those projects that have moved into 2018-19 will be reassessed and any potential savings identified.

9.4 Slippage in Estates projects relates to: Barnstaple workshops (£0.065m), Wellington Station internal upgrade (£0.180m), and Station Security (£0.030m).

- 9.5 Slippage in Fleet and Equipment projects is largely because of: delayed replacement of Mobile Data Terminals in Appliances (£0.400m); Incident Support Units (£0.430m); Medium Rescue Pumps (£0.780m); Rapid Intervention Vehicles (£1.454m); 4x4 replacements (£0.824m); and Water Rescue Boats (£0.046m).
- 9.6 The fleet capital programme was reviewed by the Executive Board (March 2018). The new Head of Fleet and Procurement in consultation with the Head of Transformational Change has identified the position of Fleet projects currently in progress (ISU, MRP, 4x4) to ensure they are still aligned to organisational objectives.
- 9.7 Fleet projects are on hold until approval of the change and improvement programme by the Fire Authority which will enable risk based operational reviews to be undertaken, prior to proceeding with any further procurements. ISU and 4 x 4 vehicles on pilot and awaiting response to pilot before proceeding with the next steps and procurement processes.

## 10. **FINANCING THE 2017-18 CAPITAL PROGRAMME**

- 10.1 Table 3 below provides an analysis of how the 2017-18 capital spending of £2.889m is to be financed.

**TABLE 3 – SUMMARY OF CAPITAL FINANCING IN 2017-18**

	Actual Financing Required £m
<b>Application of existing borrowing</b>	<b>1.962</b>
<b>Other financing sources:</b>	
Revenue contribution to capital spending per programme	0.654
Capital grant	0.021
Contribution from earmarked reserve	0.252
<b>Sub-total – Direct revenue funding/earmarked reserve</b>	<b>0.927</b>
<b>Total Financing</b>	<b>2.889</b>

### ***Borrowing***

- 10.2 The amount of external borrowing at the beginning of the financial year stood at £25.724m. No new borrowing was taken out during the year and an amount of £0.093m has been repaid, resulting in an overall reduction of external borrowing to £25.631m as at 31 March 2018. This level of borrowing is well below the agreed (revised) maximum borrowing figure of £28.445m allowed under the Prudential Code

## 11. **DRAFT PRUDENTIAL INDICATORS**

11.1 The prudential indicators at this time can only be regarded as provisional subject to the completion of the Statement of Accounts and resultant audit scrutiny.

### ***Capital Expenditure***

11.2 This prudential indicator reports actual capital spending for the year against the approved programme. Spending has proved to be £3.665m less than anticipated predominantly as a consequence of delays on progressing major Fleet capital projects.

	<b>£m</b>
Approved Budget	7.503
Actual Expenditure	2.889
Variance	<b>(4.614)</b>

### ***Capital Financing Requirement– External Borrowing***

11.3 The Capital Financing Requirement (CFR) reflects the underlying need to borrow for capital purposes. Given that existing borrowing has been applied to the spending in 2017-18 the need to borrow to fund capital spending has remained static.

	<b>£m</b>
Approved CFR	25.630
Revised CFR (Based on Actual Spending)	25.630
Variance	0.000

### ***Capital Financing Requirement– Other Long Term Liabilities***

11.4 This Capital Financing Requirement (CFR) reports long term financing liabilities other than external borrowing, e.g. Private Finance Initiative (PFI) and Finance Leases, which under accounting rules are required to be reported alongside traditional borrowing liabilities.

	<b>£m</b>
Approved CFR	1.299
Revised CFR (Based on Actual Spending)	1.299
Variance	0.000

### ***Authorised Limit and the Operational Boundary for External Debt***

11.5 Actual external debt as at 31 March 2018 was £25.631m. This is within the revised authorised limit (absolute maximum borrowing approval) of £28.445m and the operational boundary of £27.098m.

### ***Ratio of Financing Cost to Net Revenue Stream***

11.6 This ratio aims to show the percentage of revenue resources which are applied to financing debt. The Authority's estimate was that 4.25% would be applied, a better ratio has been achieved as a result of strong investment returns.

	<b>£m</b>
Capital Financing Costs	3.219
Interest on Investments	(0.184)
Net Financing Costs	3.035
Net Revenue	72.596
Percentage	4.18%
Budgeted	4.25%
Variance	(0.07) bp

## **12. DETERMINATION OF CAPITAL FINANCE**

12.1 The Authority is required to determine its use of capital finance as defined by capital control legislation. The following use of capital finance resources is proposed:

- That an amount of £1.962m of external borrowing from previous years be utilised to fund the Capital programme;
- That an amount of £0.906m is capitalised and funded from revenue contributions to capital spending, either directly from the 2017-18 revenue budget or from balances in Earmarked Reserves; and
- That £0.021m of unapplied capital grant be used to contribute towards funding the 2017-18 capital programme.

## **13. RESERVES**

13.1 There is a new requirement under CIPFA guidance for the Fire Authority to publish a Reserves Strategy which outlines the intended use of reserves over the medium term financial period. Officers will be developing the Reserves Strategy over coming months, which will articulate the levels of committed expenditure, timing of cash flows and a plan to utilise reserves to support the Change and Improvement Programme and MTFP, for approval by the Authority.

13.2 The Authority reserves position at the end as at 31 March 2018 is £37.259m, subject to approval of the recommendations in this report, the details of which are shown at Appendix B and in paragraph 5.1 above.

**AMY WEBB**  
**Director of Finance (Treasurer)**

**SUBJECTIVE ANALYSIS OF REVENUE SPENDING**

<b>DEVON &amp; SOMERSET FIRE AND RESCUE AUTHORITY</b>				
<b>Line No</b>	<b>SPENDING</b>	<b>2017/18 Budget £000</b>	<b>Outturn £000</b>	<b>Projected Variance over/ (under) £000</b>
	<b>EMPLOYEE COSTS</b>			
1	Wholetime uniform staff	27,692	28,738	1,047
2	Retained firefighters	12,362	12,440	78
3	Control room staff	1,668	1,515	(153)
4	Non uniformed staff	10,035	9,992	(42)
5	Training expenses	385	256	(129)
6	Fire Service Pensions recharge	3,075	2,591	(484)
		<b>55,216</b>	<b>55,533</b>	<b>317</b>
	<b>PREMISES RELATED COSTS</b>			
7	Repair and maintenance	1,130	1,116	(14)
8	Energy costs	585	600	15
9	Cleaning costs	462	433	(29)
10	Rent and rates	1,782	1,710	(72)
		<b>3,958</b>	<b>3,859</b>	<b>(99)</b>
	<b>TRANSPORT RELATED COSTS</b>			
11	Repair and maintenance	874	869	(6)
12	Running costs and insurances	1,219	1,239	20
13	Travel and subsistence	1,355	1,354	(0)
		<b>3,448</b>	<b>3,462</b>	<b>14</b>
	<b>SUPPLIES AND SERVICES</b>			
14	Equipment and furniture	2,595	2,417	(178)
16	Hydrants-installation and maintenance	190	111	(79)
17	Communications	2,118	1,965	(153)
18	Uniforms	596	721	125
19	Catering	46	48	2
20	External Fees and Services	89	136	47
21	Partnerships & regional collaborative projects	182	192	11
		<b>5,816</b>	<b>5,590</b>	<b>(225)</b>
	<b>ESTABLISHMENT COSTS</b>			
22	Printing, stationery and office expenses	310	307	(4)
23	Advertising	44	23	(21)
24	Insurances	349	358	9
		<b>703</b>	<b>687</b>	<b>(16)</b>
	<b>PAYMENTS TO OTHER AUTHORITIES</b>			
25	Support service contracts	705	886	181
		<b>705</b>	<b>886</b>	<b>181</b>
	<b>CAPITAL FINANCING COSTS</b>			
26	Capital charges	3,582	3,612	30
27	Revenue Contribution to Capital spending	3,427	654	(2,773)
		<b>7,009</b>	<b>4,266</b>	<b>(2,743)</b>
28	<b>TOTAL SPENDING</b>	<b>76,854</b>	<b>74,282</b>	<b>(2,572)</b>
	<b>INCOME</b>			
29	Treasury management investment income	(79)	(186)	(108)
30	Grants and Reimbursements	(4,316)	(4,081)	235
31	Other income	(440)	(1,242)	(802)
32	Internal Recharges	(20)	(30)	(10)
33	<b>TOTAL INCOME</b>	<b>(4,855)</b>	<b>(5,540)</b>	<b>(685)</b>
34	<b>NET SPENDING</b>	<b>71,999</b>	<b>68,743</b>	<b>(3,256)</b>
	<b>TRANSFERS TO EARMARKED RESERVES</b>			
35	Transfers to reserves	597	601	4
36	Transfer to Capital funding	0	323	323
37	Grants Unapplied	0	157	157
38	Reallocation of Capital funding to Equipment Reserves	0	2,450	2,450
		<b>597</b>	<b>3,531</b>	<b>2,934</b>
36	<b>NET SPENDING</b>	<b>72,596</b>	<b>72,273</b>	<b>(322)</b>

APPENDIX B TO REPORT RC/18/10

**SUMMARY OF RESERVES AND BALANCES AS AT 31 MARCH 2018**

RESERVES AND PROVISIONS						
	Note	Balance as at 1 April 2017 £000	Approved Transfers £000	Proposed Transfers £000	Spending to P12 £000	Proposed Balance as at 31 March 2018 £000
<b>RESERVES</b>						
<b>Earmarked reserves</b>						
Grants unapplied from previous years	a/c	(1,469)	(947)	641	123	(1,652)
Change & improvement programme		(501)	100	-	126	(275)
Budget Carry Forwards		(1,130)	-	-	532	(597)
Commercial Services		(172)	-	-	100	(72)
Direct Funding to Capital	b	(16,576)	-	(323)	252	(16,646)
Comprehensive Spending Review*	a	(4,957)	644	(966)	-	(5,279)
Community Safety Investment	a	(89)	(3)	-	53	(38)
PPE & Uniform Refresh		(542)	-	-	38	(504)
Pension Liability reserve		(1,525)	-	-	-	(1,525)
PIMS Replacement		(230)	-	-	-	(230)
National Procurement Project		(399)	-	-	184	(215)
NNDR Smoothing Reserve		(642)	-	-	-	(642)
Digital Transformation Strategy		(430)	-	-	175	(255)
Firefighter fitness monitoring & support		(175)	-	-	41	(134)
PFI Equalisation	a	-	(295)	-	-	(295)
Operational Safety - new training model		(404)	-	-	191	(212)
Emergency Services Mobile Communications Programme		(744)	(100)	(157)	80	(921)
Breathing Apparatus Replacement	d	-	-	(1,650)	-	(1,650)
Mobile Data Terminals Replacement	d	-	-	(800)	-	(800)
<b>Total earmarked reserves</b>		<b>(29,985)</b>	<b>(601)</b>	<b>(3,255)</b>	<b>1,897</b>	<b>(31,943)</b>
<b>General reserve</b>						
General fund balance		(5,319)	3	-	-	(5,316)
Percentage of general reserve compared to net budget						7.32%
<b>TOTAL RESERVE BALANCES</b>		<b>(35,304)</b>				<b>(37,259)</b>
<b>PROVISIONS</b>						
Fire fighters pension schemes	e	(755)	-	(19)	20	(755)
PFI Equalisation		(295)	295	-	-	-
<b>TOTAL PROVISIONS</b>		<b>(1,050)</b>	<b>295</b>	<b>(19)</b>	<b>20</b>	<b>(755)</b>

The notes in this table refer to Paragraph 5.1 outlining the transfers to reserves and provisions