

<b>REPORT REFERENCE NO.</b>	RC/21/7
<b>MEETING</b>	RESOURCES COMMITTEE
<b>DATE OF MEETING</b>	10 FEBRUARY 2021
<b>SUBJECT OF REPORT</b>	FINANCIAL PERFORMANCE REPORT 2020-21 – QUARTER 2 & QUARTER 3
<b>LEAD OFFICER</b>	Director of Finance and Resourcing (Treasurer)
<b>RECOMMENDATIONS</b>	<p>(a) <i>That the budget transfers shown in Table 3 of this report be recommended for approval by the Authority;</i></p> <p>(b) <i>That the monitoring position in relation to projected spending against the 2020-21 revenue and capital budgets be noted; and</i></p> <p>(c) <i>That the performance against the 2020-21 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 2020-21 revenue budget with explanations of the major variations. At this stage in the financial year it is forecast that spending will be £1.200m less than budget, a saving of 1.55% of total budget. Due to the timing of the Resources Committee meetings, this is a combined report for quarters 2 and 3 of 2020-21 financial year.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated in the report.
<b>EQUALITY IMPACT ASSESSMENT</b>	An initial assessment has not identified any equality issues emanating from this report.
<b>APPENDICES</b>	<p>A. Summary of Prudential Indicators 2020-21 for quarter 2 and quarter 3.</p> <p>B. Revenue Monitoring Statement for quarter 2.</p> <p>C. Forecast Capital Expenditure quarter 2,</p> <p>D. Reserves and Provision table for quarter 2.</p>
<b>BACKGROUND PAPERS</b>	None.

## 1. INTRODUCTION

- 1.1. This report provides the second and third quarterly financial monitoring report for the current financial year, based upon the position as at the end of December 2020. As well as providing projections of spending against the 2020-21 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 2020-21**

	Key Target	Target	Forecast Outturn		Forecast Variance	
			Quarter 3	Quarter 2	Quarter 3 %	Quarter 2 %
<b>Revenue Targets</b>						
1	Spending within agreed revenue budget	£77.277m	£76.077m	£75.237m	(1.55%)	(2.64%)
2	General Reserve Balance as %age of total budget (minimum)	5.00%	6.88%	6.88%	(1.88)bp*	(1.88)bp*
<b>Capital Targets</b>						
4 3	Spending within agreed capital budget	£11.217m	£6.608m	£10.167m	(41.09%)	(9.36%)
4	External Borrowing within Prudential Indicator limit	£24.851m	£24.851m	£24.851m	(0.00%)	(0.00%)
5	Debt Ratio (debt charges over total revenue budget)	5.00%	3.95%	3.95%	(1.05)bp*	(1.05)bp*

\*bp = base points

- 1.3. The remainder of the report is split into the three sections of:
- **SECTION A** – Revenue Budget 2020-21.
  - **SECTION B** – Capital Budget and Prudential Indicators 2020-21.
  - **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 2020-21**

- 2.1. Table 2 overleaf provides a summary of the forecast spending against all agreed subjective budget heads for quarter 3 of 2020-21, e.g. employee costs, transport costs etc. This table indicates that spending by the year end will be £76.077m, representing a saving against the budget of £1.200m equivalent to 1.55% of the total budget and a reduction from 2.64% at the end of quarter 2. The forecast incorporates the budget virement requested in Table 3 within this report.
- 2.2. There was an error in the published budget amounts within the quarter 1 report for row 1 - Service Delivery Staff and row 2 - Professional and Technical Support staff within Table 2 presented to the Resources Committee on the 2 July 2020 as, they didn't align to the budgeted presented to the Fire Authority on the 18<sup>th</sup> February 2020. This issue has been amended and the correct budgets are now presented.

**TABLE 2 – REVENUE MONITORING STATEMENT 2020-21 QUARTER 3**

<b>DEVON &amp; SOMERSET FIRE AND RESCUE AUTHORITY</b>						
<b>Revenue Budget Monitoring Report 2020/21</b>						
		<b>2020/21 Budget</b>	<b>Year To Date Budget</b>	<b>Spending to Month 9</b>	<b>Projected Outturn</b>	<b>Projected Variance over/ (under) £000</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Line No</b>	<b>SPENDING</b>					
	<b>EMPLOYEE COSTS</b>					
1	Service Delivery Staff	49,662	37,999	35,826	49,258	(404)
2	Professional and technical support staff	11,046	8,278	8,539	11,089	43
3	Training investment	670	503	587	493	(177)
4	Fire Service Pension costs	2,489	2,058	1,824	2,374	(115)
		<b>63,867</b>	<b>48,838</b>	<b>46,776</b>	<b>63,214</b>	<b>(654)</b>
	<b>PREMISES RELATED COSTS</b>					
5	Repair and maintenance	1,125	844	1,086	1,126	1
6	Energy costs	575	385	291	561	(14)
7	Cleaning costs	494	370	442	492	(2)
8	Rent and rates	1,990	1,743	1,698	2,006	16
		<b>4,184</b>	<b>3,342</b>	<b>3,516</b>	<b>4,185</b>	<b>1</b>
	<b>TRANSPORT RELATED COSTS</b>					
9	Repair and maintenance	704	528	391	646	(58)
10	Running costs and insurances	1,318	1,057	1,091	1,026	(292)
11	Travel and subsistence	1,423	1,033	1,214	1,330	(93)
		<b>3,444</b>	<b>2,618</b>	<b>2,696</b>	<b>3,001</b>	<b>(443)</b>
	<b>SUPPLIES AND SERVICES</b>					
12	Equipment and furniture	3,545	2,659	1,993	3,366	(179)
13	Hydrants-installation and maintenance	151	113	57	133	(18)
14	Communications Equipment	2,347	1,760	1,778	2,390	43
15	Protective Clothing	619	464	267	488	(131)
16	External Fees and Services	103	77	206	300	197
17	Partnerships & regional collaborative projects	275	206	145	275	-
18	Catering	56	42	12	48	(8)
		<b>7,095</b>	<b>5,321</b>	<b>4,458</b>	<b>6,999</b>	<b>(96)</b>
	<b>ESTABLISHMENT COSTS</b>					
19	Printing, stationery and office expenses	236	190	130	206	(30)
20	Advertising including Community Safety	37	27	24	36	(1)
21	Insurances	411	401	602	410	(1)
		<b>683</b>	<b>618</b>	<b>755</b>	<b>651</b>	<b>(32)</b>
	<b>PAYMENTS TO OTHER AUTHORITIES</b>					
22	Support service contracts	709	494	407	620	(89)
		<b>709</b>	<b>494</b>	<b>407</b>	<b>620</b>	<b>(89)</b>
	<b>CAPITAL FINANCING COSTS</b>					
23	Loan Charges & Lease rentals	3,493	105	561	3,488	(5)
24	Revenue Contribution to Capital Spending	2,037	-	-	2,037	-
		<b>5,530</b>	<b>105</b>	<b>561</b>	<b>5,525</b>	<b>(5)</b>
25	<b>TOTAL SPENDING</b>	<b>85,514</b>	<b>61,336</b>	<b>59,170</b>	<b>84,196</b>	<b>(1,318)</b>
	<b>INCOME</b>					
26	Treasury management income	(201)	(151)	(153)	(202)	(1)
27	Grants and reimbursements	(7,878)	(5,717)	(9,308)	(9,196)	(1,318)
28	Other income	(809)	(607)	(573)	(988)	(179)
29	<b>TOTAL INCOME</b>	<b>(8,888)</b>	<b>(6,474)</b>	<b>(10,034)</b>	<b>(10,387)</b>	<b>(1,499)</b>
30	<b>NET SPENDING</b>	<b>76,626</b>	<b>54,862</b>	<b>49,135</b>	<b>73,809</b>	<b>(2,817)</b>
	<b>TRANSFERS TO EARMARKED RESERVES</b>					
31	Transfer to/(from) Earmarked Reserves	651	-	-	2,268	1,617
		<b>651</b>	<b>-</b>	<b>-</b>	<b>2,268</b>	<b>1,617</b>
	<b>NET SPENDING</b>	<b>77,277</b>	<b>54,862</b>	<b>49,135</b>	<b>76,077</b>	<b>(1,200)</b>

- 2.3. These forecasts are based upon the spending position at the end of December 2020, 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, and it is inevitable therefore that final spending figures for the financial year will differ than those projected in this report.
- 2.4. Explanations of the more significant variations from budget (over £50k variance) are explained below.

### 3. **NARRATIVE ON VARIANCES AGAINST BUDGET**

#### **Service Delivery Staff**

- 3.1. It is anticipated that this line will underspend by £0.404m by the end of the year as a result of a lower than anticipated requirement for the operational deployment of On Call firefighters and vacancies held whilst recruiting the Wholetime posts has resulted in this underspend. The significant saving of £1.442m due to delayed roll out of payment for availability following the failure of the Fire Brigades Union to agree this new way of working is recommended to be moved to an earmarked reserve, this transfer has already been included within Table 1. This will enable the pay for availability system to be rolled out in 21/22 to those stations wishing to take up the offer voluntarily.

#### **Training Investment**

- 3.2. This is forecast to underspend by £0.177m. Due to restrictions associated with Covid, the ability to deliver all anticipated training courses has been hindered. However, risk critical training has been continued to ensure that firefighter competence is maintained at an acceptable level of performance and recruit training courses have also continued to ensure that establishment numbers are supported.

#### **Fire Service Pension Costs**

- 3.3. This is forecasted to underspend by £0.115m. This is as a result of delays ill health/injury on duty assessment process due to COVID. The process was restarted in September 2020 and affected staff will not suffer detrimental impact to their pension position.

#### **Repair and Maintenance**

- 3.4. It is anticipated that this area will underspend by £0.058m. Of this amount, £0.019m is as a result of delays in receiving replacement vehicles which won't require livery in this financial year and a £0.039m saving on replacement parts for the existing fleet.

#### **Running Costs and Insurances**

- 3.5. An underspend of £0.292m is forecast against this line. Restrictions on travel and cheaper/free fuel have resulted in a predicted underspend of £0.283m on this line. The vehicle insurance renewal has also come in cheaper than budget – a saving of £0.023m in this year. The balance is made up smaller amounts across various lines within this group.

### **Travel and Subsistence**

- 3.6. Against a budget of £1.423m, savings of £0.093m are expected due to considerably reduced business travel and overnight accommodation requirements brought about by Covid restrictions.

### **Equipment and Furniture**

- 3.7. This is anticipating to be £0.179m underspent by year-end. Due to restrictions surrounding physical home visits, a reduction in home fire safety visits (HFSV) has reduced expenditure by £0.090m. High risk HFSV's have continued to be carried out on a face to face basis and the Service has adapted its triage system to deliver remote checks for people who are at less risk. A further £0.117m is from Operational Equipment. As detailed in paragraph 3.2 above, the number of courses that are being delivered this year has been restricted, therefore less training equipment has been used, resulting in an underspend of £0.025m.

### **Protective Equipment**

- 3.8. A £0.131m underspent is forecast. Closer management of pooled stock is continuing to generate greater savings than initially anticipated from better management and re-use of PPE.

### **External Fees and Services**

- 3.9. This line is forecasting to overspend by £0.197m. Multiple trivial (<£10k) increases account for this position although more major investments include a more accessible website at £0.056m and a review of the HR/OD function has been undertaken at a cost of £0.020m

### **Support Service Contracts**

- 3.10. Against a budget of £0.709m, the forecast is an underspend of £0.089m. Anticipated savings against the Occupational Health line of £0.096m account for the majority of this position. A reduction in the call of their services, coupled with the proactive signposting of services available internally have helped.

### **Grants and Reimbursements**

- 3.11. This is forecast to over-recover by £1.318m the majority of which (£1.319m) is the receipt of the original Covid-19 grant from Central Government. Since last reported, a further £0.064m has been received to compensate for loss of income received due to Covid balanced by some small under-recoveries.

### **Other Income**

- 3.12. This is forecast to be £0.179m better than budget. Recommencing assistance to the South West Ambulance Services Trust (SWAST) to provide drivers since November 2020 has increased the forecast on this budget line, which is recharged on a cost neutral basis.
- 3.13. When the budget for 2020-21 was set, it was expected that £1.167m of reserves funding would be needed to balance the budget. Due to forecast savings in some areas and additional income, this will no longer be required.
- 3.14. It is forecast that there will be a net surplus on COVID-19 grant of £0.220m, which will be subject to an Earmarked Reserve request at the year-end. However, due to uncertainty over further COVID response requirements, no recommendation or decision is required at this stage.

### **TABLE 3 – BUDGET TRANSFERS**

- 3.15. The following request is recommended to be approved by the Fire Authority through the Resources Committee.

Line Ref	Description	Debit £m	Credit £m
	<i>To fund Pay for Availability in future years which has been delayed in 2020-21 - see paragraph 3.1</i>		
1	Decrease Service Delivery staff		(1.442)
36	Create Earmarked Reserve to help fund future year costs	1.442	
		<b>1.442</b>	<b>(1.442)</b>

## **4 RESERVES AND PROVISIONS**

- 4.1. As well as the funds available to the Authority by setting an annual budget, the Authority holds reserve and provision balances. A reserves strategy is published annually which outlines the purpose of each reserve and expected expenditure over the medium term financial planning period. The reserves strategy is available here:

<http://www.dsfire.gov.uk/AboutUs/WhatWeSpend/documents/ReservesStrategy2020-21.pdf>

### ***Reserves***

- 4.2. 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***

- 4.3. 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.

- 4.4. A summary of predicted balances on Reserves and Provisions is shown in Table 4 overleaf. At the end of Quarter 2, reserves expenditure was £1.692m, at the end of quarter 3 it was £2.086m, the majority has been invested in the Digital Transformation Strategy.

**TABLE 4 – FORECAST RESERVES AND PROVISION BALANCES 31 DECEMBER 2020**

RESERVES AND PROVISIONS						
	Balance as	Approved	Proposed	Spending to	Forecast	Proposed
	at 1 April	Transfers	Transfers	Month 09	Spend 2020-	Balance as at
	2020	£000	£000	£000	21	31 March
RESERVES	£000	£000	£000	£000	£000	£000
<b>Earmarked reserves</b>						
Grants unapplied from previous years	(383)	-	-	254	284	(100)
Invest to Improve	(4,844)	77	-	1,195	1,708	(3,059)
Budget Smoothing Reserve	(1,818)	1,167	(1,167)	-	-	(1,818)
Direct Funding to Capital	(22,308)	-	-	-	2,651	(19,657)
Projects, risks, & budget carry forwards	-	-	-	-	-	-
PFI Equalisation	(150)	-	-	-	-	(150)
Emergency Services Mobile Communications Programme	(877)	-	-	89	117	(760)
Mobile Data Terminals Replacement	(279)	-	-	13	63	(216)
PPE & Uniform Refresh	(147)	18	-	29	29	(100)
Pension Liability reserve	(1,423)	(211)	-	403	403	(1,231)
Environmental Strategy	(308)	-	-	-	-	(308)
Budget Carry Forwards	(960)	116	-	103	586	(258)
Business Continuity (COVID-19 grant)	-	-	(220)	-	-	(220)
Funding for Pay for Availability	-	-	(1,442)	-	-	(1,442)
Dignity at Work (DAW) station upgrades	-	(196)	-	-	-	(196)
Prevention Delivery Equipment	-	(60)	-	-	-	(60)
Estate Conditional Surveys	-	(120)	-	-	-	(120)
<b>Total earmarked reserves</b>	<b>(33,496)</b>	<b>791</b>	<b>(2,829)</b>	<b>2,086</b>	<b>5,840</b>	<b>(29,694)</b>
<b>General reserve</b>						
General Fund balance	(5,316)	-	-	-	-	(5,316)
Percentage of general reserve compared to net budget						0
<b>TOTAL RESERVE BALANCES</b>	<b>(38,812)</b>				<b>5,840</b>	<b>(35,010)</b>
<b>PROVISIONS</b>						
Doubtful Debt	(655)	-	-	-	-	(655)
Fire fighters pension schemes	(659)	-	-	-	100	(559)

**5. SUMMARY OF REVENUE SPENDING**

5.1. At this stage in the year, it is forecast that spending will be £1.200m below the budget figure for 2020-21. In year savings and additional income is providing an opportunity to invest in urgent equipment replacement. At the moment, no recommendations are made as the use of the balance of savings.



### **Covid-19**

- 5.2. The Home Office secured funding for the Fire Service to assist with the costs associated with the COVID-19 pandemic. This Service received 2 tranches of grants, one in late 2019-20 of £0.280m, the second early in 2020-21 of £1.319m – a total of £1.599m.
- 5.3. The balance of the initial grant of £0.249m received in 2019-20 was moved into an Earmarked Reserve at year-end and has now been spent. The forecast of costs attributable to the grant received in 2020-21 can be found in Table 5 below.
- 5.4. In November 2020, a further grant of £0.064m was received to compensate for loss of income generated.

**TABLE 5 – GRANT FUNDING**

Coronavirus 2019	Spend to Month 9	Forecast Spend
	£000's	£000's
Grant funding received (2020/21)	(1,383)	(1,383)
<u>Expenditure</u>		
Staffing	809	900
Protective & Standard Equipment	175	200
Premises Costs	23	33
Other Costs	18	30
<b>Total Additional Costs</b>	1,025	1,163
<b>Balance</b>	(358)	(220)

## **6. SECTION B – CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2020-21**

### ***Monitoring of Capital Spending in 2020-21***

- 6.1. Table 6 overleaf provides a summary of anticipated expenditure for this financial year as at Quarter 3 and demonstrates the funding requirements.
- 6.2. At the end of Quarter 3, there is a forecast timing difference of £4.369m against the capital programme of £11.297m along with £0.320m of savings. There was an optimism bias built into the Capital Programme in 2020-21 of £3.800m to reduce the scale of timing differences. The Revenue funds variance (£0.320m) results from 2 items; a greater than anticipated sale of Budleigh Salterton Fire Station and the sale of a redundant fire appliance. Please see relevant tables below.
- 6.3. **Estates** £5.484m of timing differences are made up of: £1.65m to rebuild Plymstock which will now be delivered in 2021-22, £0.050m for Station upgrades, £0.100m for Dignity at Work initiatives, £0.527m for works at Service Headquarters, £0.450m for batch 3 of the water and foam washing works, £0.307m for Bridgwater upgrades, £0.300m for roof works at Torquay, £2.10m for an upgrade at Camels Head.

- 6.4. **Fleet** – there are timing differences of £2.535m resulting from delays in delivery of Medium Rescue Pumps, and Incident Command Vehicles due to factory shutdowns as a result of the Covid pandemic. These are on track to be delivered in the spring of 2021.
- 6.5. **ICT** – Covid priorities, including implementing Microsoft operating system (MS365) has resulted in delaying the upgrade of SQL servers of £0.150m. This will be completed within the first half of 2021-22.

**TABLE 6 – FORECAST CAPITAL EXPENDITURE 2020-21 QUARTER 3**

Capital Programme 2020/21					
Item	PROJECT	2020/21	2020/21	2020/21	2020/21
		£000	£000	£000	£000
		Revised Budget	Forecast Outturn	Timing Differences	Re-scheduling / Savings
	<b>Estate Development</b>				
1	Site re/new build	3,557	1,907	(1,650)	0
2	Improvements & structural maintenance	5,591	1,437	(3,834)	(320)
3	Optimism bias	(2,700)	0	2,700	0
	<b>Estates Sub Total</b>	<b>6,448</b>	<b>3,344</b>	<b>(2,784)</b>	<b>(320)</b>
	<b>Fleet &amp; Equipment</b>				
4	Appliance replacement	5,034	2,839	(2,195)	0
5	Specialist Operational Vehicles	710	370	(340)	0
6	ICT Department	159	9	(150)	0
7	Water Rescue Boats	46	46	0	0
8	Optimism bias	(1,100)	0	1,100	0
	<b>Fleet &amp; Equipment Sub Total</b>	<b>4,849</b>	<b>3,264</b>	<b>(1,585)</b>	<b>0</b>
	<b>Overall Capital Totals</b>	<b>11,297</b>	<b>6,608</b>	<b>(4,369)</b>	<b>(320)</b>
	<b>Programme funding</b>				
	Earmarked Reserves:	7,672	2,663	(4,369)	(640)
	Revenue funds:	2,097	2,417	0	320
	Application of existing borrowing	1,528	1,528	0	0
	<b>Total Funding</b>	<b>11,297</b>	<b>6,608</b>	<b>(4,369)</b>	<b>(320)</b>

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

- 6.6. Total external borrowing with the Public Works Loan Board (PWLB) at the end of Quarter 2 and Quarter 3 was £25.397m and is forecast to reduce to £24.851m as at 31 March 2021. This level of borrowing is well within the Authorised Limit for external debt of £27.949m (the absolute maximum the Authority has agreed as affordable). No further external borrowing is planned in this financial year.
- 6.7. Investment returns in the quarter yielded an average return of 0.20% which outperforms the LIBID 3 Month return (industry benchmark) of -0.08%.

6.8. Appendix A provides a summary of performance against all of the agreed Prudential Indicators for 2020-21, which illustrates that there is no anticipated breach of any of these indicators.

**7. SECTION C - OTHER FINANCIAL PERFORMANCE INDICATORS**

***Aged Debt Analysis***

7.1. Total debtor invoices outstanding as at Quarter 2 were £983,221, for Quarter 3 it was £1,044,403 - Table 7 provides a summary of all debt outstanding as at 31 December 2020.

7.2. Of this figure an amount of £948,354 (£980,948 at Quarter 2) was due from debtors relating to invoices that are more than 85 days old, equating to 90.8% (99.8% at Quarter 2) of the total debt outstanding.

**TABLE 7 – OUTSTANDING DEBT AT END OF QUARTER 3**

	<b>Total Value £</b>	<b>%</b>
Current (allowed 28 days in which to pay invoice)	80,542	7.16%
1 to 28 days overdue	96,049	8.53%
29-56 days overdue	0	0.00%
57-84 days overdue	0	0.00%
Over 85 days overdue	948,354	84.31%
<b>Total Debt Outstanding as at 31 December 2020</b>	<b>1,124,944</b>	<b>100.00%</b>

7.3 Table 8 overleaf provides further analysis of those debts in excess of 85 days old.

**TABLE 8 – DEBTS OUTSTANDING FOR MORE THAN 85 DAYS – QUARTER 3**

	<b>No</b>	<b>Total Value</b>	<b>Action Taken</b>
Red One Ltd	45	£934,8187	A repayment plan has been agreed with the subsidiary company following its revised business plan, however this is on hold due to the cancellation of courses due to COVID.
Various	14	£13,534	Invoices with small debtors are being chased using standard procedures and pursued with our debt recovery officer where appropriate.

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

**APPENDIX A TO REPORT RC/21/7**

**PRUDENTIAL INDICATORS 2020-21 – QUARTER 2**

Prudential Indicators and Treasury Management Indicators		Forecast Outturn £m	Target £m	Variance (favourable) /adverse £m
Capital Expenditure		10.167	<b>11.217</b>	<b>(0.900)</b>
External Borrowing vs Capital Financing Requirement (CFR) - Total		<b>26.656</b>	<b>26.656</b>	<b>(0.000)</b>
- Borrowing		24.851	24.851	
- Other long term liabilities		1.010	1.010	
External borrowing vs Authorised limit for external debt - Total		<b>25.861</b>	<b>27.872</b>	<b>(0.011)</b>
- Borrowing		24.850	26.710	
- Other long term liabilities		1.010	1.162	
Debt Ratio (debt charges as a %age of total revenue budget)		<b>3.95%</b>	<b>5.00%</b>	<b>(1.05)bp</b>
Cost of Borrowing – Total		<b>1.077</b>	<b>1.077</b>	<b>(0.000)</b>
- Interest on existing debt as at 31-3-20		1.077	1.077	
- Interest on proposed new debt in 2020-21		0.000	0.000	
Investment Income – full year		<b>0.201</b>	<b>0.201</b>	<b>(0.000)</b>
		<b>Actual (30 Sept 2020) %</b>	<b>Target for quarter %</b>	<b>Variance (favourable) /adverse</b>
Investment Return		<b>0.33%</b>	<b>-0.05%</b>	<b>(0.38)bp</b>
Prudential Indicators and Treasury Management Indicators	Forecast (30 March 2020) %	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	2.33%	30.00%	0.00%	(29.63%)
12 months to 2 years	2.31%	30.00%	0.00%	(27.68%)
2 years to 5 years	4.11%	50.00%	0.00%	(44.34%)
5 years to 10 years	13.43%	75.00%	0.00%	(61.48%)
10 years and above	<b>77.83%</b>	<b>100.00%</b>	<b>50.00%</b>	<b>(22.24%)</b>
- 10 years to 20 years	14.71%			
- 20 years to 30 years	13.76%			
- 30 years to 40 years	49.36%			
- 40 years to 50 years	0.00%			

## PRUDENTIAL INDICATORS 2020-21 – QUARTER 3

Prudential Indicators and Treasury Management Indicators		Forecast Outturn £m	Target £m	Variance (favourable) /adverse £m
Capital Expenditure		6.608	11.217	(4.609)
External Borrowing vs Capital Financing Requirement (CFR) - Total		26.656	26.656	(0.000)
- Borrowing		24.851	24.851	
- Other long term liabilities		1.010	1.010	
External borrowing vs Authorised limit for external debt - Total		25.861	27.872	(0.011)
- Borrowing		24.850	26.710	
- Other long term liabilities		1.010	1.162	
Debt Ratio (debt charges as a %age of total revenue budget)		3.95%	5.00%	(1.05)bp
Cost of Borrowing – Total		1.077	1.077	(0.000)
- Interest on existing debt as at 31-3-20		1.077	1.077	
- Interest on proposed new debt in 2020-21		0.000	0.000	
Investment Income – full year		0.201	0.201	(0.000)
		Actual (30 Sept 2020) %	Target for quarter %	Variance (favourable) /adverse
Investment Return		0.20%	-0.08%	(0.28)bp
Prudential Indicators and Treasury Management Indicators	Forecast (30 March 2020) %	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	2.33%	30.00%	0.00%	(29.63%)
12 months to 2 years	2.31%	30.00%	0.00%	(27.68%)
2 years to 5 years	4.11%	50.00%	0.00%	(44.34%)
5 years to 10 years	13.43%	75.00%	0.00%	(61.48%)
10 years and above	77.83%	100.00%	50.00%	(22.24%)
- 10 years to 20 years	14.71%			
- 20 years to 30 years	13.76%			
- 30 years to 40 years	49.36%			
- 40 years to 50 years	0.00%			

## APPENDIX B TO REPORT RC/21/7

**REVENUE MONITORING STATEMENT 2020-21 QUARTER 2****DEVON & SOMERSET FIRE AND RESCUE AUTHORITY**  
**Revenue Budget Monitoring Report 2020/21**

Line No		2020/21 Budget £000	Year To Date Budget £000	Spending to Month 6 £000	Projected Outturn £000	Projected Variance over/ (under) £000
	<b>SPENDING</b>					
	<b>EMPLOYEE COSTS</b>					
1	Service Delivery Staff	48,937	24,112	22,495	47,334	(1,603)
2	Professional and technical support staff	13,333	6,660	6,695	13,341	7
3	Training investment	670	335	535	539	(131)
4	Fire Service Pension costs	2,489	1,437	1,263	2,384	(105)
		<b>65,429</b>	<b>32,545</b>	<b>30,987</b>	<b>63,597</b>	<b>(1,832)</b>
	<b>PREMISES RELATED COSTS</b>					
5	Repair and maintenance	1,125	563	953	1,125	-
6	Energy costs	575	241	198	573	(2)
7	Cleaning costs	494	247	402	491	(3)
8	Rent and rates	1,990	1,162	1,150	2,022	32
		<b>4,184</b>	<b>2,212</b>	<b>2,703</b>	<b>4,211</b>	<b>27</b>
	<b>TRANSPORT RELATED COSTS</b>					
9	Repair and maintenance	704	352	251	701	(3)
10	Running costs and insurances	1,318	857	483	1,151	(167)
11	Travel and subsistence	1,423	677	959	1,308	(115)
		<b>3,444</b>	<b>1,886</b>	<b>1,694</b>	<b>3,159</b>	<b>(285)</b>
	<b>SUPPLIES AND SERVICES</b>					
12	Equipment and furniture	3,545	1,772	1,105	3,536	(9)
13	Hydrants-installation and maintenance	151	76	41	151	-
14	Communications Equipment	2,347	1,173	561	2,350	3
15	Protective Clothing	619	310	189	541	(78)
16	External Fees and Services	103	51	87	171	68
17	Partnerships & regional collaborative projects	275	137	136	275	-
18	Catering	56	28	5	53	(3)
		<b>7,095</b>	<b>3,548</b>	<b>2,123</b>	<b>7,076</b>	<b>(19)</b>
	<b>ESTABLISHMENT COSTS</b>					
19	Printing, stationery and office expenses	236	137	82	218	(18)
20	Advertising including Community Safety	37	18	20	44	7
21	Insurances	411	391	203	411	-
		<b>683</b>	<b>546</b>	<b>305</b>	<b>672</b>	<b>(11)</b>
	<b>PAYMENTS TO OTHER AUTHORITIES</b>					
22	Support service contracts	709	317	195	749	40
		<b>709</b>	<b>317</b>	<b>195</b>	<b>749</b>	<b>40</b>
	<b>CAPITAL FINANCING COSTS</b>					
23	Loan Charges & Lease rentals	3,493	252	452	3,484	(9)
24	Revenue Contribution to Capital Spending	2,037	-	-	2,037	-
		<b>5,530</b>	<b>252</b>	<b>452</b>	<b>5,521</b>	<b>(9)</b>
25	<b>TOTAL SPENDING</b>	<b>87,076</b>	<b>41,306</b>	<b>38,461</b>	<b>84,987</b>	<b>(2,089)</b>
	<b>INCOME</b>					
26	Treasury management income	(201)	(101)	(51)	(205)	(4)
27	Grants and reimbursements	(7,622)	(3,811)	(8,809)	(9,386)	(1,764)
28	Other income	(809)	(404)	(352)	(757)	52
29	<b>TOTAL INCOME</b>	<b>(8,632)</b>	<b>(4,316)</b>	<b>(9,212)</b>	<b>(10,349)</b>	<b>(1,717)</b>
30	<b>NET SPENDING</b>	<b>78,443</b>	<b>36,990</b>	<b>29,249</b>	<b>74,637</b>	<b>(3,806)</b>
	<b>TRANSFERS TO EARMARKED RESERVES</b>					
31	Transfer to/(from) Earmarked Reserves	(1,167)	-	-	600	1,767
		<b>(1,167)</b>	<b>-</b>	<b>-</b>	<b>600</b>	<b>1,767</b>
	<b>NET SPENDING</b>	<b>77,277</b>	<b>36,990</b>	<b>29,249</b>	<b>75,237</b>	<b>(2,039)</b>

**TABLE 6 – FORECAST CAPITAL EXPENDITURE 2020-21 QUARTER 2**

Capital Programme 2020/21					
		2020/21 £000	2020/21 £000	2020/21 £000	2020/21 £000
Item	PROJECT	Revised Budget	Forecast Outturn	Timing Differences	Re- scheduling/ Savings
	<b>Estate Development</b>				
1	Site re/new build	3,557	2,807	(750)	0
2	Improvements & structural maintenance	5,591	4,219	(1,222)	(150)
3	Optimism bias	(2,700)	0	2,700	0
	<b>Estates Sub Total</b>	<b>6,448</b>	<b>7,026</b>	<b>728</b>	<b>(150)</b>
	<b>Fleet &amp; Equipment</b>				
4	Appliance replacement	5,034	2,606	(2,428)	0
5	Specialist Operational Vehicles	630	330	(300)	0
6	ICT Department	159	159	0	0
7	Water Rescue Boats	46	46	0	0
8	Optimism bias	(1,100)	0	1,100	0
	<b>Fleet &amp; Equipment Sub Total</b>	<b>4,769</b>	<b>3,141</b>	<b>(1,628)</b>	<b>0</b>
	<b>Overall Capital Totals</b>	<b>11,217</b>	<b>10,167</b>	<b>(900)</b>	<b>(150)</b>
	<b>Programme funding</b>				
	Earmarked Reserves:	7,592	6,222	(900)	(470)
	Revenue funds:	2,097	2,417	0	320
	Application of existing borrowing	1,528	1,528	0	0
	<b>Total Funding</b>	<b>11,217</b>	<b>10,167</b>	<b>(900)</b>	<b>(150)</b>

**APPENDIX D TO REPORT RC/21/7**

**FORECAST RESERVES AND PROVISIONS BALANCES 30 SEPTEMBER 2020**

<b>RESERVES AND PROVISIONS</b>						
	Balance as				Forecast	Proposed
	at 1 April	Approved	Proposed	Spending to	Spend 2020-	Balance as at
	2020	Transfers	Transfers	Month 06	21	31 March
	£000	£000	£000	£000	£000	2021
<b>RESERVES</b>						£000
<b>Earmarked reserves</b>						
Grants unapplied from previous years	(383)	-	-	1	294	(89)
Invest to Improve	(4,844)	77	-	1,125	1,793	(2,974)
Budget Smoothing Reserve	(1,818)	1,167	(1,167)	-	-	(1,818)
Direct Funding to Capital	(22,308)	-	-	-	6,372	(15,936)
Projects, risks, & budget carry forwards		-	-			
PFI Equalisation	(150)	-	-	-	-	(150)
Emergency Services Mobile Communications Programme	(877)	-	-	40	140	(737)
Mobile Data Terminals Replacement	(279)	-	-	-	279	-
PPE & Uniform Refresh	(147)	18	-	29	29	(100)
Pension Liability reserve	(1,423)	(211)	-	403	403	(1,231)
Environmental Strategy	(308)	-	-	-	-	(308)
Budget Carry Forwards	(960)	116	-	94	471	(372)
Business Continuity (COVID-19 grant)	-	-	(600)	-	-	(600)
<b>Total earmarked reserves</b>	<b>(33,496)</b>	<b>1,167</b>	<b>(1,767)</b>	<b>1,692</b>	<b>9,781</b>	<b>(24,315)</b>
<b>General reserve</b>						
General Fund balance	(5,316)	-	-	-	-	(5,316)
Percentage of general reserve compared to net budget						6.88%
<b>TOTAL RESERVE BALANCES</b>	<b>(38,812)</b>				<b>9,781</b>	<b>(29,631)</b>
<b>PROVISIONS</b>						
Doubtful Debt	(655)	-	-	-	-	(655)
Fire fighters pension schemes	(659)	-	-	-	100	(559)