



OFFICIAL

Treasury Management Outturn 2019 - 20

Finance & Resources Committee

Date: 17 July 2020

Agenda Item:

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Submitted By: Chief Finance and Procurement Officer

Purpose To present the Treasury Management Annual Report 2019/20

Recommendations That Members note the content of the report

Summary Financial Procedure Rules require that the Authority receives an annual report on Treasury Management activities for the previous financial year. The report reviews borrowing and investment performance, Prudential Indicators, and risk and compliance issues.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Alison Wood, Chief Finance and Procurement Officer

Background papers open to inspection: CIPFA's Code of Practice on Treasury Management
CIPFA's Prudential Code for Capital Finance in Local Authorities

Annexes: Appendix A – Investments at the 31st March 2020.
Appendix B – Movement in PWLB Borrowing
Appendix C – Long Term Debt Maturity Structure
Appendix D – Prudential Indicators Actual 2019/20

1 Introduction

- 1.1 Financial Procedure Rules require that the Authority receives an annual report on Treasury Management activities for the previous financial year. This report reviews borrowing and investment performance, Prudential Indicators, and risk and compliance issues.

2 Information

- 2.1 The Authority has adopted the CIPFA Code of Practice on Treasury Management and operates its treasury management service in compliance with this Code and various statutory requirements. These require that the prime objective of the activity is to secure the effective management of risk, and that borrowing is undertaken on a prudent, affordable and sustainable basis.

- 2.1.1 As part of the new requirements in the Code of Practice, the Audit Committee undertakes a scrutiny role regarding treasury management. The treasury management services are provided on behalf of the Authority by Kirklees Council.

- 2.1.2 In reviewing performance, reference will be made to the Treasury Management Strategy Report approved by the Full Authority on 21 February 2019. Investments averaged £33.8m and were largely deposited in instant access accounts. However, the Authority took advantage of a longer-term notice account and local authority investments to benefit from higher interest rate opportunities in low risk investments. The average rate of interest was 0.91%. Total external borrowing was £45.4m (£45.6m 31st March 2019).

2.2 Borrowing and Investment Strategy 2019/20

- 2.2.1 The Authority's overall Treasury Management Strategy prioritises security, liquidity and risk management which was adhered to in 2019/20. Although the medium term financial plan showed that the Authority could have a borrowing requirement in 2019/20, the timing of receipt of government grants meant that the Authority was a net investor for most of the year, with balances of up to £57.5m. Whilst the Authority's preferred strategy would be only to invest sufficient funds for the purpose of managing day to day cash flow requirements, the grant receipts make this unworkable. The investment strategy is designed to minimise risk, investments being made primarily in instant access accounts or short-term deposits with the major British owned banks and building societies, Money Market Funds, Local Authorities and Central Government.

- 2.2.2 It was expected that the Authority would have an external borrowing requirement of up to £4.5 million, arising from the need to finance capital expenditure, replace long term borrowing due to mature and replace balances used. It was proposed to take a pragmatic approach to borrowing, in terms of short or long term, variable or fixed rate, public or private sector borrowing, depending on opportunities offered in terms of interest rates and availability of products.

2.3 Actual Performance

- 2.3.1 The UK's exit from the European Union and future trading arrangements, had remained one of major influences on the UK economy and sentiment during 2019/20. The 29th March 2019 Brexit deadline was extended to 12th April, then to 31st October and finally to 31st January 2020. Politics played a major role in financial markets over the period as the UK's tenuous progress negotiating its exit from the European Union together with its future trading arrangements drove volatility, particularly in foreign exchange markets.
- 2.3.2 The headline rate of UK Consumer Price Inflation fell to 1.7% year on year in February, below the Bank of England's target of 2%. Labour market data remained positive. The International Labour Organisation unemployment rate was 3.9% in the three months to January 2020 while the employment rate hit a record high of 76.5%. The average annual growth rate for pay excluding bonuses was 3.1% in January 2020 and the same when bonuses were included, providing some evidence that a shortage of labour had been supporting wages.
- 2.3.3 Gross Domestic Product growth in Q4 2019 was reported as flat by the Office for National Statistics and service sector growth slowed and production and construction activity contracted on the back of what at the time were concerns over the impact of global trade tensions on economic activity. The annual rate of GDP growth remained below-trend at 1.1%.
- 2.3.4 Then coronavirus swiftly changed everything. COVID-19, which had first appeared in China in December 2019, started spreading across the globe causing plummeting sentiment and falls in financial markets not seen since the Global Financial Crisis as part of a flight to quality into sovereign debt and other perceived 'safe' assets.
- 2.3.5 In response to the spread of the virus and sharp increase in those infected, the government enforced lockdowns, central banks and governments around the world cut interest rates and introduced massive stimulus packages in an attempt to reduce some of the negative economic impact to domestic and global growth.
- 2.3.6 The Bank of England, which had held policy rates steady at 0.75% through most of 2019/20, moved in March to cut rates to 0.25% from 0.75% and then swiftly thereafter brought them down further to the record low of 0.10%. In conjunction with these cuts, the UK government introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions, culminating in pretty much the entire lockdown of the UK.
- 2.3.7 At the beginning of each quarter, interest rates for the UK were as follows:

	Base Rate	50 year PWLB (maturity *)
2019 Apr	0.75%	2.24%
Jul	0.75%	2.16%
Oct	0.75%	1.71%
2020 Jan	0.75%	3.03%
Apr	0.10%	2.33%

*Includes the 0.20% discount that the Authority can access as part of the “certainty rate” scheme.

2.3.8 The Authority’s investments totalled £31.3m as at 31 March 2020 – see Appendix A for details, (£22.8m 31 March 2019). The Authority invested an average balance of £33.8m externally during the year which was higher than expected due to under spending on capital and revenue budgets and a stronger cash flow. Income of £0.308m was generated through these investments. The Authority’s average lending rate for the year was 0.91%, above the weighted average 7 day London Interbank borrowing rate 0.66%.

2.3.9 In terms of borrowing, long-term loans at the end of the year totalled £45.4m (£45.6m 31 March 2019). There were no short-term loans outstanding (£0m 31 March 2019). Repayments of ‘Equal Instalments of Principal’ PWLB loans totalled £0.274m. There was no new long-term borrowing taken during 2019/20. Repayments are detailed in Appendix B.

2.3.10 Long Term debt is made up of predominantly fixed rate loans giving the Authority stability in its interest costs. The maturity profile for long-term loans is shown in Appendix C and shows that only 4.75% of fixed rate debt is due to be repaid in any one year. This is good practice as it reduces the Authority’s exposure to a substantial borrowing requirement in future years when interest rates might be at a relatively high level.

2.3.11 The primary source of long-term local authority borrowing has historically been from the Government i.e. Public Works Loan Board (PWLB). From November 2012, the PWLB have been offering a 0.20% discount on loans (“the certainty rate” scheme) for local authorities providing improved information and transparency on their locally determined long-term borrowing and associated capital spending plans.

2.3.12 The Authority has a £2.0m LOBO (Lender’s Option, Borrower’s Option) loan as at 31 March 2020. The way these loans work is that the Authority pays interest at a fixed rate for an initial period and then the lender has the option in the secondary period to increase the rate. If the option is exercised, the Authority can either accept the new rate or repay

the loan. The initial fixed period ended in May 2011. The lender had the opportunity to exercise this option in May 2016 but did not. The next time this option will be available to the lender is May 2021.

2.3.13 The Local Capital Finance Company established in 2014 by the Local Government Association as an alternative source of local authority finance. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. It has yet to issue any loans, but officers will continue to monitor developments of this potential new funding source.

2.3.14 The Authority's average borrowing rate has remained low. The average for 2019/20 was 4.35% compared to 4.40% in 2018/19. This reduction is due to the repayment of historic debt which was taken at a higher rates of interest. The Authority's investment levels are dependent on the timely receipt of Government grants. On three occasions during 2019/20 the Authority has borrowed on a short term basis. The Authority's temporary borrowing performance was monitored during the period, with the average temporary borrowing rate of 0.65% being slightly lower than the weighted average 7 day London Interbank borrowing rate of 0.66% although little temporary borrowing took place.

2.4 Prudential Indicators

2.4.1 The Authority is required by the Prudential Code to report to Members the actual prudential indicators after the year end. Appendix D provides a schedule of all the mandatory indicators. The Authority operated within all the appropriate limits.

2.5 Risk and Compliance Issues

2.5.1 The Authority has complied with all the relevant statutory, regulatory and internal requirements which limit the levels of risk associated with its treasury management activities. The Authority's adoption and implementation of both the Prudential Code and the CIPFA Code of Practice on Treasury Management means that its capital expenditure is prudent, affordable and sustainable.

2.5.2 Kirklees Council manages the treasury management function on behalf of the Authority. Their officers are aware of the risks of passive management of the treasury portfolio and, with the support of the Council's consultants, Arlingclose Limited, have proactively managed the debt and investments over the year. There is little risk of volatility of borrowing costs in the current debt portfolio as interest rates are predominantly fixed.

2.5.3 The CIPFA Code of Practice requires that treasury management performance be subject to regular member scrutiny. The Treasury Management Strategy report, approved by the Full Authority on 21 February 2019, indicated that the Finance and Resources Committee would be given responsibility for this. As well as receiving the Strategy and Outturn reports the Committee also receive regular monitoring reports on treasury management

activities. Members last received training on Treasury Management in October 2018 which was delivered by Arlingclose. Further training for officers and members is being planned for later in the year.

3 Financial Implications

3.1 There are no financial implications associated with this report.

4 Legal Implications

4.1 The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

5.1 There are no human resource and diversity implications associated with this report.

6 Health, Safety and Wellbeing Implications

6.1 There are no health, safety and wellbeing implications associated with this report.

7 Environmental Implications

7.1 There are no environmental implications associated with this report.

8 Your Fire and Rescue Service Priorities

8.1 Treasury management which involves the investment and borrowing of resources to enable West Yorkshire Fire and Rescue to provide an effective and efficient service to the community encompasses all the fire and rescue priorities.

9 Conclusions

9.1 This report summarises the Treasury Management activities in 2019/20 and provides information on compliance with the approved Treasury Management Strategy.

Appendix A

Investments as at 31 March 2020

Lender	£	Credit Rating March 2020*		Sovereign Rating	
		ST	LT	Country	Rating
Aviva MMF**	£1,602,741.95	Aaa-mf			
Goldman Sachs MMF**	£622,614.21	AAAmmf			
Aberdeen Standard MMF**	£2,490,656.94	AAAmmf			
Handelsbanken	£721.18	F1+	AA-	UK	AA-
Handelsbanken 35 Day Notice	£602,182.46	F1+	AA-	UK	AA-
Santander UK 180 Day Notice	£6,000,000.00	F1	A+	UK	AA-
Lloyds 32 Day Notice	£5,965,619.91	F1	A+	UK	AA-
Lancashire County Council	£5,000,000.00		Aa3	UK	AA-
Cherwell District Council	£4,000,000.00	F1+	AA-	UK	AA-
Kingston Upon Hull County Council	£5,000,000.00	F1+	AA-	UK	AA-
Total	£31,284,536.65				

*Fitch short/long term ratings, except Aviva MMF and Lancashire County Council (highest Moody rating). See next page for key.

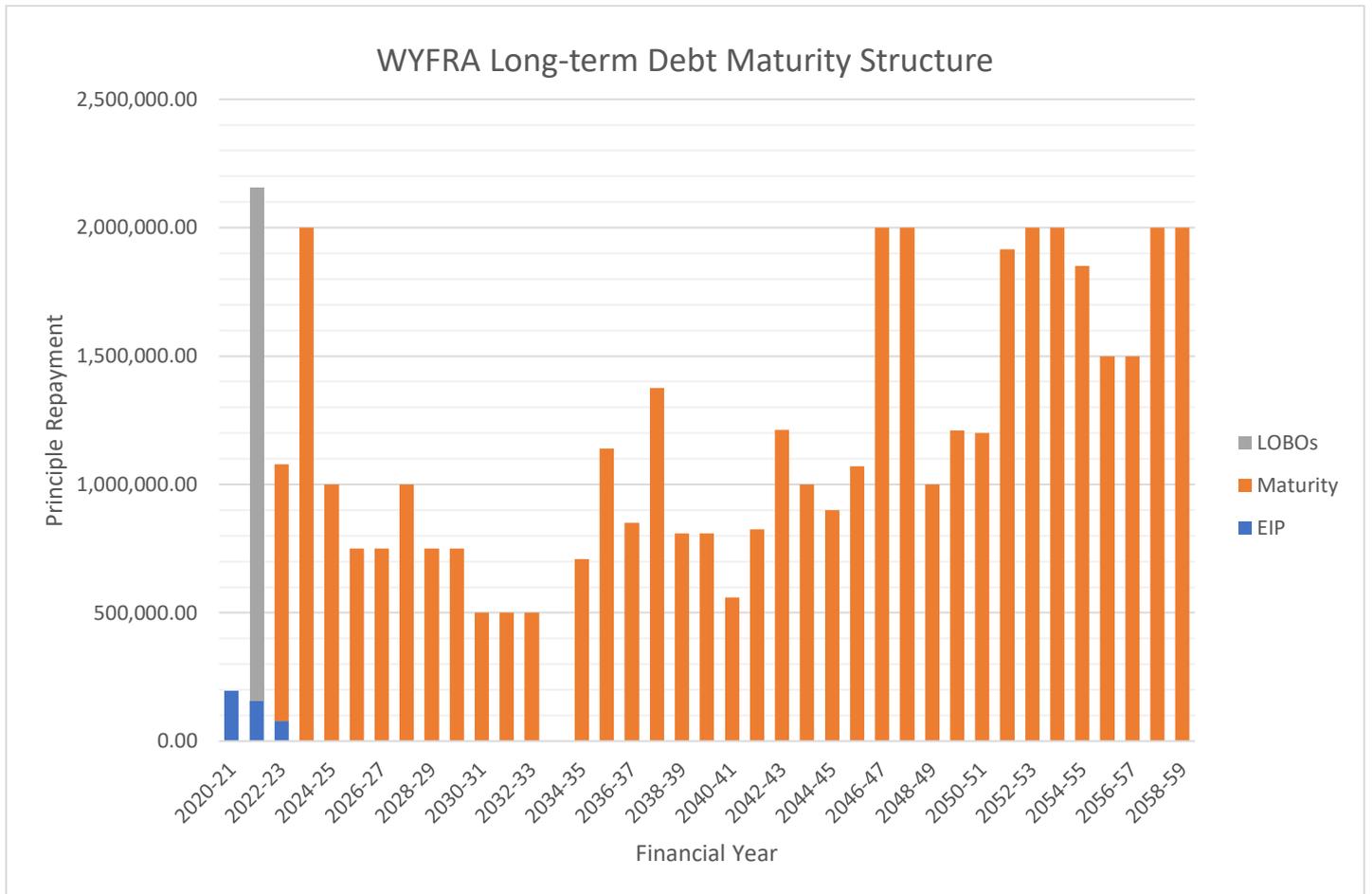
** MMF – Money Market Fund. These funds are domiciled in Ireland for tax reasons, but the funds are made up of numerous diverse investments with highly rated banks and other institutions. The credit risk is therefore spread over numerous countries, including the UK.

Key – Fitch’s credit ratings:

		Long	Short	
Investment Grade	Extremely Strong	AAA	F1+	
		Very Strong		AA+
				AA
	Strong	AA-		
		A+		
		A		
	Adequate	A-		F1
		BBB+		F2
		BBB		F3
Speculative Grade	Speculative	BBB-	B	
		BB+		
		BB		
	Very Speculative	BB-		
		B+		
		B		
	Vulnerable	B-		
		CCC+		C
		CCC		
CCC-				
CC				
C				
Defaulting	D	D		

MOVEMENT IN PWLB BORROWING**LOANS REPAID 2019/20**

	Rate %	Date Repaid	Amount £000s
Repayments on EIP loans			
PWLB (474941)	8.625	10 June 19	9.8
		9 Dec 19	9.8
PWLB (474942)	9.00	10 June 19	29.4
		9 Dec 19	29.4
PWLB (478223)	8.375	1 Apr 19	38.5
		30 Sep 19	38.5
		31 Mar 20	38.5
PWLB (479328)	7.50	13 May 19	40.0
		12 Nov 19	40.0
Total			273.9



PRUDENTIAL INDICATORS ACTUALS 2019/20Capital Expenditure, Capital Financing Requirement and External Debt

The table below draws together the main elements of the capital plans, highlighting borrowing and other financing arrangements. The table also shows the Capital Financing Requirement (CFR), which is the Authority's underlying external indebtedness for a capital purpose, compared with the expected borrowing position.

	2018/19	2019/20	
	Actual	Estimate	Actual
	£000's	£000's	£000's
Capital Expenditure	4,252	6,581	5,982
<u>Financed by:</u>			
Borrowing (internal)		3,531	
Capital Grant	35		
Capital Receipt	108		70
Revenue Contributions		950	3,870
Earmarked Reserves	4,109	2,100	2,042
	<u>4,252</u>	<u>6,581</u>	<u>5,982</u>
CFR at at 31 March	57,500	67,428	51,029
<u>External Debt as at 31 March</u>			
Borrowing	45,642	50,660	45,369
	<u>45,642</u>	<u>50,660</u>	<u>45,369</u>

Limits to Borrowing Activity

The first key control over the Authority's borrowing activity is a Prudential Indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short-term, exceed the total CFR. This allows some flexibility for limited early borrowing for future years. As can be seen from the table above, the Authority was within the CFR in 2019/20.

A further two Prudential Indicators control overall level of borrowing. These are the Authorised Limit and the Operational Boundary. The Authorised Limit represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which, while not

desired, could be afforded in the short-term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short times during this year.

	2018/19	2019/20	
	Actual (max)	Estimate	Actual (max)
	<u>£m</u>	<u>£m</u>	<u>£m</u>
<u>Authorised limit for external debt</u>			
Borrowing	65.0	65.0	65.0
Other Long Term Liabilities	0.0	0.0	0.0
Total	65.0	65.0	65.0
<u>Operational boundary for external debt</u>			
Borrowing	55.0	55.0	55.0
Other Long Term Liabilities	0.0	0.0	0.0
Total	55.0	55.0	55.0

The Authority was within its Authorised Limit and its Operational Boundary.

Affordability Prudential Indicators

Ratio of financing costs to net revenue stream and impact of capital investment decisions on the Precept

These indicators identify the cost of capital (borrowing costs net of investment income) against the net revenue stream, and the impact of the capital programme compared to the Authority's original budget commitments. The net revenue stream is defined as the amount to be met from government grants, local taxpayers and balances.

	2018/19	2019/20	
	Actual	Estimate	Actual
<u>Ratio of financing costs to net revenue stream</u>	7.82%	7.94%	7.03%

Treasury Management Prudential Indicators

Interest Rate Exposures

While fixed rate borrowing can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance justifies retaining a degree of flexibility through the use of variable interest rates on at least part of the treasury management portfolio. The Prudential Code requires the setting of upper limits for both variable rate and fixed interest rate exposure:

	Limit Set	Actual
	2019/20	2019/20
Interest at fixed rates as a percentage of net interest payments	60% - 100%	100%
Interest at variable rates as a percentage of net interest payments	0% - 40%	0%

The interest payments were within the limits set.

Maturity Structure of Borrowing

This indicator is designed to prevent the Authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate	Limit Set 2019/20	Actual Levels 2019/20
Under 12 months	0% - 20%	0.45%
12 months to 2 years	0% - 20%	0.36%
2 years to 5 years	0% - 60%	9.40%
5 years to 10 years	0% - 80%	9.22%
More than 10 years	20% - 100%	80.56%

The limits on the proportion of fixed rate debt were adhered to.

Total principal sums invested for periods longer than 365 days

This indicator was set at zero as there was no intention to hold investments for treasury management purposes with maturity dates in excess of a year. There was no change to this position.



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Quarterly Financial Review

Finance & Resources Committee

Date: 17 July 2020

Agenda Item:

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Submitted By: Chief Finance and Procurement Officer

Purpose To present a Quarterly Review of the financial position of the Authority

Recommendations a) That Members note the content of the report
b) That Members approve the revised capital plan

Summary The purpose of this report is to present an overview of the financial performance of the Authority of the first 3 months of the current financial year. The report deals with revenue and capital expenditure. An update is provided on the financial implications of Covid19

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes:

Appendix A Capital Slippage

Appendix B Capital Expenditure 2020/21

Appendix C Investments

1 Introduction

- 1.1 Expenditure is monitored throughout the year against the approved revenue budget with reports presented to departments, cost centre managers and directors. A high level summary report is presented to Management Board on a monthly basis. The purpose of the report is to monitor progress against the approved revenue budget; provide a forecast outturn for the financial year; provide an explanation of any major variations, and to show the impact of any variations on the revenue balances of the Authority.

2 Information

Revenue Budget Revision

- 2.1 When the revenue budget is approved an amount is included in contingencies for any budget increases/decreases that were not included within the original budget. Growth and savings included within the approved original budget which have yet to be expended or realised are included within the general contingency budget.

In order to ensure that budget monitoring is not distorted, the 3% provision for the firefighters and support staff pay award that is included within the base budget has been moved to the employee contingency budget. Once the pay award has been agreed this will be moved back into employee budgets. The amount transferred to employee contingencies for pay awards is £1,430k.

The table below summarises the current contingency budget:

	<u>Opening Balance</u> <u>1/4/20</u> £000	<u>Transfer to/from Contingencies</u> £000	<u>Closing Balance</u> £000
General Contingency	2,711	0	2,711
Employee Contingency Pay award provision		1,430	1,430
TOTAL CONTINGENCIES	2,711	1,430	4,141

3 Expenditure Monitoring

- 3.1 This report is based on expenditure to the beginning of June 2020 and includes the first two salary payments of 2020/21. The projected outturn is based on current years' expenditure and is forecast to the end of the year based on previous expenditure profiles. Overall, the latest forecast indicates there will be an under spending of £251k in the current financial year.
- 3.2 Because the report includes only the first two months of expenditure, the projected under and over spends are subject to variation as the year progresses. As in previous years a full review of budgets will be undertaken in September in conjunction with budget holders

to ascertain if any budgets can be transferred to contingencies during the year. This will be presented to members at Finance and Resources committee in October.

3.2 An improved budget monitoring report for managers was introduced in 2018/19 which highlights those areas of concern using a Red, Amber, Green (RAG) rating. For those budgets that are forecast to overspend or under spend a red “cross” will be inserted against the budget line and for those within 5% of budget, an amber mark will be inserted. For those budgets where there is either a red or amber indicator, the budget holder will be required to provide an explanation as to the reason for the projected overspend. This has brought increased accountability to budget holders and is reported to Management Board on a monthly basis.

3.3 The table below summarises the forecast with an explanation of the causes detailed below.

	<u>Revenue Budget</u>	<u>Forecast</u>	<u>Variance</u>
	£000	£000	£000
Employees			
Wholetime	48,021	47,832	-189
Retained	2,031	2,019	-12
Control	1,830	1,830	0
Support Staff	9,952	9,887	-65
Pensions	2,000	2,000	0
Training	803	795	-8
Other Employee	406	408	2
TOTAL	65,042	64,771	-272
Premises	4,537	4,535	-2
Transport	2,417	2,385	-32
Supplies and Services	5,723	5,697	-26
Contingency - General	2,711	2,711	0
Contingency - Employees	1,430	1,430	0
Support Services	348	348	0
Capital Charges	8,150	8,150	0
Income	-2,735	-2,655	80
Net Expenditure	87,623	87,372	-251

An explanation of the variances is explained below:

3.4 Employees -£272,000

Whole time Fire Fighters -£189,000

There is currently a forecast underspending of £189,000 in whole time fire fighter employee budgets. The workforce plan is monitored closely on a monthly basis against actuals in post to that included within the budget. There has been retirement savings of £143k, whereby four fire fighters have retired before their due date and there have been two additional leavers in the period generating a saving of £46k.

Retained Fire Fighters -£12,000

Current forecasts indicate a small under spend but overall retained fire fighter expenditure is in line with budget. This category of expenditure is subject to seasonal variation and is closely monitored during the year.

Support Staff -£65,000

The projected under spend on support staff is attributable to support staff vacancies, due to the length of the recruitment process there is a time lag in filling vacant posts, the target for the recruitment cycle is 84 days. The ability to progress existing vacancies has been hindered by Covid19. As at the 1st April there were 10 posts that were vacant of which 8 have been filled and have starting dates between July and September.

3.5 Transport -£32,000

Based on current forecasts there is a projected under spend of £32,000 on transport related expenses. This is due to a reduction in the reimbursement of car mileage and public transport expenses which is linked to greater home working and the suspension of external training and conferences during Covid19, which have been delivered remotely on-line.

3.6 Supplies and Services -£26,000

There has been a reduction in the following expenditure categories which can be attributable to the impacts of Covid19; conference expenses, subsistence, materials provided for training courses, food and hospitality and postages. The impact of Covid19 will be closely monitored and if required, the budgets will be revised in October.

3.7 Income £80,000

It is forecast that income will be under achieved by £80,000, once again this is attributable to the impact of Covid19. For example, charges for false alarm calls have been suspended from those premises that are currently closed and the youth training programme has been impacted by the suspension of learning and training.

This reduction in income will be funded by the Covid19 grant, more explanation of the financial impact of Covid19 is provided in section 5.

4 Impact on Revenue Balances

- 4.1 The projected under spending will have the effect of increasing usable reserves which is detailed in the table below:

Description	Usable Reserves £000
Opening Balance 1/4/20	
General Fund	5,000
Earmarked Reserves	29,668
Impact of forecast	251
Forecast Usable Reserves at 31/3/2021	34,919

- 4.2 In April, Management Board gave approval to transfer the leap year reserve the service support reserve, the cost of the additional day resulting from a leap year in now included within base budgets and as such a separate reserve is no longer required.

5 Covid 19 Pandemic

Overview

- 5.1 The Covid19 pandemic has seen the government committing huge financial resources in order to ease the financial burden of individuals and businesses and thus avoid a deep economic recession. At the time of writing, the National Audit Office have reported that the measures put in place to help reduce the impact of the pandemic have cost £124.3 billion. This pushes the borrowing requirement in 2020/21 to over £300 billion which is six times that estimated in the March budget and the highest level since World War 2.
- 5.2 The Ministry for Housing, Communities and Local Government (MHCLG) announced on the 20th March that £1.6 billion of grant would be allocated to local government to fund the additional costs from the Covid19 emergency. The amount apportioned to West Yorkshire Fire was £0.436m and was based on the Settlement Funding Assessment formula which is used to allocate the finance settlement each February. This grant was paid to the authority at the end of March.

On the 28th April, the government announced that a further £1.6 billion would be paid to local government to assist with the additional costs caused by the pandemic. The method of distribution however was different from the first tranche of grant, £6m of this funding was top sliced from the overall allocation and given to the Home Office as a special grant. This was to recognise the amount of additional support the fire sector was providing to the community. This additional grant was allocated to each FRS on the basis of population, resulting in West Yorkshire receiving a further £1.735m of Covid19 grant.

The Covid19 grant is not ring fenced, meaning that the authority can choose where it spends the funding rather central government, this is because each local authority will each have differing demands. Any surplus of grant will be used to support changes to ways of working that are identified in the Service Recovery group.

- 5.3 In addition, the government paid the Section 31 Business Rates Retention grant in advance in one payment of £1.958m rather than over twelve instalments during the year. Although this is not additional grant it eases cash flow and enables the authority to invest the money over a longer period.

Governance

- 5.4 In order to ensure that the grant is managed separately from core central government funding, the Covid19 grant has been allocated to a separate earmarked reserve. The costs that are expended against the grant are kept separate from normal budget monitoring so that we can identify at any time the amount of grant spent and hence remaining.

Covid19 Expenditure

- 5.4 Below is a summary of costs incurred to date on Covid19;
1. Purchase of Personal Protective Equipment (PPE), which include masks, sanitisers, hand wipes and other cleaning consumables.
 2. To facilitate home working, there has been a requirement to purchase additional lap tops and purchase additional software licences to enable faster connection to the network from home.
 3. There has been a number of support departments who have been required to work additional hours and thus paid overtime, to cover sickness and support home working.
 4. It is expected that there will be a reduction in income from Youth Training, Primary Authority Scheme, Special Services, external training courses, unwanted fire signals due either the inability to provide the service during the pandemic or a lack of demand.
- 5.5 Employees will be able to sell up to five days holidays back to the Authority, the deadline for this is the 31 December 2020, so the costs will vary during the course of the next six months. If every employee (excluding senior managers) were to sell the maximum five days, this would cost £805k. Although this is a large figure, it is more cost effective to buy leave than to pay overtime later in the year when employees take their leave.

The table below shows expenditure to date and forecast:

	Actual £000's	Forecast £000's
Grant	-£2,171	-£2,171
Overtime Covid 19	£57	£150
Overtime Backfill	£0	£200
Leave Buy Back	£17	£805
Cleaning	£38	£50
PPE	£23	£50
ICT	£71	£150
Reduction in income	£100	£250
Total Expenditure	£306	£1,655
Grant Remaining	-£1,865	-£516

Other Financial Impacts of Covid19

- 5.6 The pandemic has resulted in a number of financial effects on the authority.
1. Due to a lack of Parliamentary time, it is highly likely that the comprehensive spending review will be delayed for another year to 2022. This will mean that the authority will face another year of financial uncertainty and thus hinders financial planning over the medium term.
 2. It has been confirmed that the review of Business Rates Retention which was due to be introduced in April 2021 has been postponed.
 3. The statutory requirement for the approval of the Statement of Accounts has been moved from 31 July to 30 November which recognises the fact that finance teams have been busy with work associated with the pandemic and cannot concentrate on the closure of accounts.
 4. District councils are reporting a large reduction in the collection rate of council tax from both domestic and commercial properties, although this may be recovered over the course of the year, there is still a possibility that the five district councils will report large collection fund deficits in April 2021. This will have a direct impact on fire as the collection fund surplus or deficit is part of the Authority's revenue budget. At the 1st April, the districts declared a collection fund surplus of £0.108m, current estimates provided from the districts indicate a deficit at the 1st April 2021 of around £4.3m. The impact on the districts is considerably higher and it is hoped the shortfall will be funded by further grant from central government.
 5. The delivery of the capital plan has been affected by the pandemic, which has meant that the planned refurbishment of our fire stations and the completion of the rebuild of Wakefield have been delayed. This may mean that a large portion of the capital plan is slipped into 2021. This will be closely monitored and a revised capital plan will be presented to the October Finance and Resources Committee for approval.

6. The reduction in the Bank of England base rate from 0.75% to 0.10% in March will reduce the investment income the authority receives during the year. Although this is not included in the revenue budget, it will impact upon cash flow. For information, the interest received from investments in 2019/20 was £0.31m.

6 Capital Expenditure Monitoring

6.1 Introduction

At its meeting on 21 February 2020 the Authority approved a five-year capital programme of £25.074m which included schemes to the value of £6.581m for the current financial year.

6.2 Revised capital plan 2020/21

6.2.1 The nature of major capital schemes means that expenditure often straddles a number of financial years, particularly in the case of major building schemes and projects that require a lengthy procurement process. As part of the closure of the 2019/20 accounts, expenditure on capital schemes is reviewed and schemes that are committed but not completed are slipped into the following year's capital plan. The value of schemes which have been slipped into the 2020/21 capital plan is £5.2m. Before each scheme is slipped, the budget holder is required to provide evidence that the scheme is ongoing and that there are outstanding financial commitments in relation to the scheme.

6.2.2 A number of schemes have slipped because the procurement process was commenced at the end of the financial year, for example, replacement PPE, VOIP and multi-media storage, meaning the costs will be paid in 2020/21.

A full list of all slipped schemes is in Appendix A.

6.2.3 The operations support manager has requested that £100k is vired from the scene lighting scheme to fund the purchase of PPE for both the technical rescue unit and the high volume pump and for the purchase of light weight trousers for crews, which will replace the existing cargo pant. The scene lighting scheme has been halted due the effects of Covid19 and the availability of staff to progress the project. Scene Lighting will be subject of a new capital bid in 2021/22.

6.3 Capital Payments 2020/21

6.3.1 The actual capital payments to date total £0.464m which represents 3.7% of the revised capital plan. If commitments are included in this, the actual expenditure to date is £2.76m which equates to 22% of the capital plan.

Due to the procurement process for capital schemes, a large proportion of capital expenditure occurs in the latter part of the financial year.

As with revenue budget monitoring a RAG rating system has been introduced to capital budget monitoring which will improve accountability of capital scheme managers.

6.3.2 A summary of the capital plan including slipped schemes is attached to this report in Appendix B which shows details of expenditure on each individual scheme.

6.4 Management Board Approvals

- 6.4.1 At the Authority AGM in 2010, Management Board was given delegated power to approve individual virement between capital schemes of up to £100,000. Details of any approvals will be reported to committee throughout the year as part of this report.
- 6.4.2 Under financial procedures 3.11 the Management Board can approve expenditure on schemes in the approved capital plan up to an amount of £100,000 along with a requirement to report these approvals to the Finance and Resources Committee.
- 6.4.3 In this financial year, the Management Board have approved schemes totalling £92k and virements of £20k which are shown in the table below:

Date	Directorate	Scheme	Approval	Virement
April	Service Support	Servers back up	£92,000	
June	Service Delivery	All Terrain Vehicle		£20,000
	Service Delivery	Hydrants		-£20,000
			£92,000	£0

6.5 Capital Receipts

The only capital receipt expected in 2020/21 will be for the sale of the WY1 number plate which is currently on an auction site with a reserve value of £130,000.

7 Treasury Management

- 7.1 The Authority approved its Treasury Management Strategy on 21 February 2020 in accordance with the CIPFA Code of Practice on Treasury Management.
- 7.2 In the current financial year, the Authority is continuing to benefit from a positive cash flow through the early payment of Government grant and revenue balances which has meant that no new long term borrowing has been required for the past nine years.
- 7.3 Consequently, in the current financial year treasury management activity has been limited to investments. The table in Appendix C shows the Authority currently has total investments of £31.2m split between ten counter parties with rates of interest receivable between 0.1% and 0.92%. This will increase further in July when the Authority will receive an estimated £35m in pension Top Up Grant.

8 Debtors

- 8.1 The Authority receives income for services provided; these include special services, training courses, fire safety certificates, and licences for telecom masts on premises. In most cases the services provided are a result of an emergency which means that it is not possible to raise a charge in advance of the service and as a consequence debtor accounts are raised.
- 8.2 The level of outstanding debt owed to the Authority to the end of June 2020 is £137,582 which can be profiled as follows:

Less than 60 days -	£ 21,995
Greater than 60 days -	£103,087

- 8.3 The procedure for issuing accounts and debt collection is provided by Kirklees Council under a Service Level Agreement. A summary of the procedure for collecting outstanding debt is detailed below:
- | | |
|---------|-------------------------------------|
| 21 days | first reminder letter |
| 28 days | second reminder letter |
| 35 days | instigation of debt recovery system |

As detailed above, there is currently £93,728 of debt which is at the recovery stage. However, previous experience suggests that the Authority will recover all of the outstanding debts.

9 Creditors

- 9.1 The Authority is required to pay all non disputed invoices within 28 days of receipt. In the first 3 months of the current financial year the Authority has received 1967 invoices and paid 75.6% of them within 28 days.
- 9.2 Due to Covid19, the payments team have been required to work from home, unfortunately this has impacted on the prompt payment of invoices, the target is to pay 100% of invoices within 28 days. All invoices are paid as quickly as possible and priority payment has been given to small suppliers and those that are critical to service delivery. This is in line with the Procurement Policy Note that was issued by the Cabinet Office in March.

10 Financial Implications

- 10.1 These are included within the main body of the report

11 Legal Implications

- 11.1 The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

12 Human Resource and Diversity Implications

12.1 There are no human resource or diversity implications arising directly from this report.

13 Health, Safety and Wellbeing Implications

13.1 There are no health, safety and wellbeing implications arising directly from this report.

14 Environmental Implications

14.1 There are no environmental implications arising directly from this report.

15 Your Fire and Rescue Service Priorities

15.1 The management and monitoring of both revenue and capital resources is key to achieving the fire and rescue services priorities.

16 Conclusions

16.1 This report identifies that the Authority is currently forecast to under spend its revenue budget in 2020/21 by £251k. The report has summarised the financial impact on Covid19 and it is expected that the grant received of £2.1m will cover all costs incurred in managing the pandemic, based on existing demands. The report has requested the slippage of £5.2m of capital schemes into 2020/21, prior to October F&R committee the capital plan will be reviewed and a revised plan will be presented to members for approval. It is expected that due to Covid19 a number of capital schemes will be delayed and will be thus slipped into 2021.

16.2 Both the revenue and capital budgets will continue to be monitored closely during the year in conjunction with directors and budget holders.

Appendix A

Department	Capital Scheme Name	Capital Budget 2019/20	Total Over/Under spend 2019/20	Slippage into 2020/21
Fire Safety	Fire Alarms	£500,000	-£166,269	£78,876
ICT	Command Training	£60,000	-£59,830	£59,830
ICT	Protection Database	£50,000	-£50,000	£50,000
ICT	Hydrant Management	£30,000	-£17,679	£6,350
ICT	Equipment management & RFID tagging	£119,000	-£119,000	£119,000
ICT	Refresh of ICT training suite	£12,500	-£12,500	£12,500
ICT	Replacement computer hardware	£303,407	-£52,403	£52,403
ICT	VoIP	£100,000	-£100,000	£100,000
ICT	Media Storage Solution	£200,000	-£200,000	£200,000
ICT	ICT Station Equipment	£120,000	-£120,000	£120,000
ICT	Opex Interface	£83,000	-£79,500	£79,500
Operations	Replacement of Operational PPE	£974,717	-£974,717	£974,717
Operations	Fire Fighting helmets	£210,000	-£210,000	£210,000
Operations	Industrial Washing Machines	£74,000	-£74,000	£56,375
Property	Leeds - Replace Derv tank & general station refurbishments works	£30,000	-£28,258	£27,320
Property	Moortown - General refurb of facilities, including LED energy efficient lighting	£155,000	-£69,095	£69,095
Property	Cookridge General refurb and upgrade of accommodation and facilities, including LED	£25,000	-£18,979	£18,979
Property	Huddersfield - Install energy efficient lighting to external areas, wash bays, appliance bays and	£50,000	-£8,604	£8,604
Property	Holmfirth - Install energy efficient lighting to Ext areas and appliance bays. Upgrade External fabric	£50,000	-£19,242	£19,242
Property	Mirfield - Upgrading of mains distribution. Electrical installation and general refurb	£30,000	-£2,684	£2,684
Property	Odsal - General fabric upgrading , Replace windows and introduce LED Lighting	£80,000	-£73,111	£73,111
Property	Improvements to rear entrance layout , Replace above ground Derv storage tank, general LED lighting and refurbishment works	£80,000	-£75,739	£75,739
Property	Illingworth - General upgrade including external fabric and decorations	£60,000	-£60,000	£60,000
Property	Todmorden - Electrical rewire, LED Lighting and general refurb	£90,000	-£84,563	£84,563
Property	FSHQ - Adaptations rear of Multi purpose training Centre. Rear Ext stair case to upper levels	£100,000	-£15,224	£15,224
Property	Risk Register prioritised and general asbestos removal and general fabric upgrade at various locations	£130,000	-£38,517	£38,517
Property	Phased installation and upgrading of surface water drainage interceptors	£80,000	-£80,000	£80,000
Property	Phased upgrade to fire station training towers including lightning protection and building fabric	£60,000	-£3,462	£3,462
Property	General electrical upgrade works.	£165,000	-£51,006	£51,006
Property	General mechanical and L8 Legionella prevention water management improvement and upgrading	£100,000	-£44,030	£44,630
Property	Phased upgrade of fixed ladders and fire escapes	£50,000	-£50,000	£50,000

Department	Capital Scheme Name	Capital Budget 2019/20	Total Over/Under spend 2019/20	Slippage into 2020/21
Transport	Vehicle replacement project - 2 Welfare Vehicles, appliance, prime movers, POD, cadet vehicles, aerals	£145,800	-£135,565	£135,565
Transport	CLM Vehicle procurement	£803,000	-£6,679	£6,679
ICT	Retained Pager Replacement	£16,970	-£16,970	£16,970
ICT	Additional resource for HR & Rostering	£187,750	-£149,210	£96,000
ICT	Mobile Working	£45,211	-£19,368	£19,368
IRMP	Wakefield Rebuild	£2,821,532	-£1,575,462	£1,575,462
Operations	New Control Project - Contingency	£338,000	-£338,000	£338,000
Operations	Aerial Vehicle Drone	£11,399	-£2,613	£2,613
Property	Upgrade FSHQ - Breathing Acc, Classroom,	£126,430	-£16,075	£9,123
Property	General Upgrading Odsal	£96,648	-£29,991	£29,991
Property	Tarmac, Lighting, smoke training House - Bingley	£27,767	-£26,837	£26,837
Property	Upgrade Shower installations - Normanton	£4,500	-£3,372	£2,887
Transport	Aerial appliances	£750,000	-£110,173	£110,173
	TOTAL	£9,546,631	-£5,388,725	£5,211,395

Appendix B

Directorate	Capital Plan 2020/21					Capital Expenditure 2020/21			2020/21 Over/(Under) spend to date
	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Total	Commitments	Expenditure	Total	
Property services	£2,160,000	£791,014	£0	£0	£2,951,014	£303,911	£49,150	£353,061	-£2,597,953
IRMP	£1,050,000	£1,575,462	£0	£0	£2,625,462	£1,531,546	-£40	£1,531,506	-£1,093,956
ICT	£2,417,000	£1,031,921	-£220,000	£0	£3,228,921	£422,635	£171,692	£594,327	-£2,634,594
Employment Services	£102,000	£0	£0	£0	£102,000	£0	£0	£0	-£102,000
Transport	£43,000	£252,417	£0	£0	£295,417	£0	£86,249	£86,249	-£209,168
Operations	£1,108,000	£1,581,705	-£185,000	£185,000	£2,689,705	£28,690	£107,822	£136,512	-£2,553,193
Fire Safety	£500,000	£78,876	£0	£0	£578,876	£4,500	£49,500	£54,000	-£524,876
	£7,380,000	£5,311,395	-£405,000	£185,000	£12,471,395	£2,291,281	£464,373	£2,755,654	-£9,715,741

CAPITAL BUDGET MONITORING 2020/21
SERVICE SUPPORT
PROPERTY

Details of Scheme	Capital Plan 2020/21					Capital Expenditure 20/21			2021/21	Over/(Under) spend to Date	
	2020/21	2019/20	2020/21	2020/21	2020/21	2021/21	2021/21	2021/21			
	Original Capital Plan	Slippage b/f	Decrease	Increase	Capital total	Commitments	Expenditure	Total			
Moortown/Cookridge	£240,000	£0	£0	£0	£240,000	£0	£0	£0	-£240,000	⊗#	
Odsal/Fairweather Green	£240,000	£0	£0	£0	£240,000	£0	£0	£0	-£240,000	⊗#	
Illingworth	£200,000	£0	£0	£0	£200,000	£0	£0	£0	-£200,000	⊗#	
Todmorden	£120,000	£0	£0	£0	£120,000	£0	£0	£0	-£120,000	⊗#	
FSHQ - ICT, Stores & Transport	£30,000	£0	£0	£0	£30,000	£0	£0	£0	-£30,000	⊗#	
Bradford	£50,000	£0	£0	£0	£50,000	£0	£0	£0	-£50,000	⊗#	
FSHQ - Hard Stand & Carpark	£40,000	£0	£0	£0	£40,000	£0	£0	£0	-£40,000	⊗#	
Slaithwaite	£50,000	£0	£0	£0	£50,000	£0	£0	£0	-£50,000	⊗#	
Enviro Efficiency & Insulate Improve	£100,000	£0	£0	£0	£100,000	£0	£0	£0	-£100,000	⊗#	
Electric charging points	£200,000	£0	£0	£0	£200,000	£0	£0	£0	-£200,000	⊗#	
Risk Register - Asbestos	£110,000	£0	£0	£0	£110,000	£0	£0	£0	-£110,000	⊗#	
Security & Fire alarm systems	£90,000	£0	£0	£0	£90,000	£31,858	£0	£31,858	-£58,142	⊗#	
Appliance Bay doors	£100,000	£0	£0	£0	£100,000	£11,760	£0	£11,760	-£88,240	⊗#	
Surface water drainage	£40,000	£0	£0	£0	£40,000	£0	£0	£0	-£40,000	⊗#	
Upgrade appliance bay pits	£30,000	£0	£0	£0	£30,000	£0	£0	£0	-£30,000	⊗#	
Training towers	£70,000	£0	£0	£0	£70,000	£0	£0	£0	-£70,000	⊗#	
Electrical Upgrades	£50,000	£0	£0	£0	£50,000	£4,128	£0	£4,128	-£45,872	⊗#	
General Mechanical & L8	£200,000	£0	£0	£0	£200,000	£0	£0	£0	-£200,000	⊗#	
Upgrade of Welfare	£100,000	£0	£0	£0	£100,000	£0	£0	£0	-£100,000	⊗#	
Minor Equality & Dignity alterations	£40,000	£0	£0	£0	£40,000	£0	£0	£0	-£40,000	⊗#	
Facility upgrades	£60,000	£0	£0	£0	£60,000	£0	£0	£0	-£60,000	⊗#	
TOTAL NEW CAPITAL SCHEMES 20/21	£2,160,000	£0	£0	£0	£2,160,000	£47,746	£0	£47,746	-£2,112,254		
FSHQ Retaining and Boundary Walls	£0	£0	£0	£0	£0	£0	-£2,006	-£2,006	-£2,006	⊗#	
Upgrade FSHQ - Breathing Acc, Classroom,	£0	£9,123	£0	£0	£9,123	£9,123	-£2,930	£6,193	-£2,930	⊗#	
General Upgrading Odsal	£0	£29,991	£0	£0	£29,991	£0	£0	£0	-£29,991	⊗#	
Tarmac, Lighting, smoke training House - Bingley	£0	£26,837	£0	£0	£26,837	£0	£0	£0	-£26,837	⊗#	
Upgrade Shower installations - Normanton	£0	£2,887	£0	£0	£2,887	£0	£2,537	£2,537	-£350	⊗#	
Leeds - Replace Derv tank & general station refurbishments works	£0	£27,320	£0	£0	£27,320	£27,320	£0	£27,320	£0	⊗#	
Moortown - General refurb of facilities, including LED energy efficient lighting	£0	£69,095	£0	£0	£69,095	£59,941	£20,518	£80,459	£11,364	⊗#	
Cookridge General refurb and upgrade of accommodation and facilities, including LED lighting in appliance bays	£0	£18,979	£0	£0	£18,979	£5,540	£1,560	£7,100	-£11,879	⊗#	
Huddersfield - Install energy efficient lighting to external areas, wash bays, appliance bays and upgrade of deteriorated wash	£0	£8,604	£0	£0	£8,604	£0	£0	£0	-£8,604	⊗#	
Holmfirth - Install energy efficient lighting to Ext areas and appliance bays. Upgrade External fabric	£0	£19,242	£0	£0	£19,242	£0	-£102	-£102	-£19,344	⊗#	
Mirfield - Upgrading of mains distribution. Electrical installation and general refurb	£0	£2,684	£0	£0	£2,684	£11,728	£423	£12,151	£9,467	⊗#	
Odsal - General fabric upgrading, Replace windows and introduce LED Lighting	£0	£73,111	£0	£0	£73,111	£0	£0	£0	-£73,111	⊗#	
Fairweather Green - Kitchen upgrade, Improvements to rear entrance layout, Replace above ground Derv storage tank,	£0	£75,739	£0	£0	£75,739	£0	£0	£0	-£75,739	⊗#	
Illingworth - General upgrade including external fabric and decorations	£0	£60,000	£0	£0	£60,000	£4,730	£4,460	£9,190	-£50,810	⊗#	
Todmorden - Electrical rewire, LED Lighting and general refurb	£0	£84,563	£0	£0	£84,563	£1,813	£0	£1,813	-£82,751	⊗#	
FSHQ - Adaptations rear of Multi purpose training Centre. Rear Ext stair case to upper levels	£0	£15,224	£0	£0	£15,224	£10,732	-£218	£10,514	-£4,710	⊗#	
Risk Register prioritised and general asbestos removal and general fabric upgrade at various locations	£0	£38,517	£0	£0	£38,517	£1,889	£0	£1,889	-£36,628	⊗#	
Phased installation and upgrading of surface water drainage interceptors	£0	£80,000	£0	£0	£80,000	£34,318	£0	£34,318	-£45,682	⊗#	
Phased upgrade to fire station training towers including lightning protection and building fabric	£0	£3,462	£0	£0	£3,462	£3,545	-£1,868	£1,677	-£1,785	⊗#	
General electrical upgrade works.	£0	£51,006	£0	£0	£51,006	£47,387	£10,428	£57,815	£6,809	⊗#	
General mechanical and L8 Legionella prevention water management improvement and upgrading works as identified	£0	£44,630	£0	£0	£44,630	£38,099	£16,346	£54,446	£9,816	⊗#	
Phased upgrade of fixed ladders and fire escapes	£0	£50,000	£0	£0	£50,000	£0	£0	£0	-£50,000	⊗#	
TOTAL SLIPPED SCHEMES	£0	£791,014	£0	£0	£791,014	£256,165	£49,150	£305,314	-£485,700		
TOTAL EXPENDITURE APPROVED	£2,160,000	£791,014	£0	£0	£2,951,014	£303,911	£49,150	£353,061	-£2,597,953		

CAPITAL BUDGET MONITORING 2020/21
IRMP

Details of Scheme	Capital Plan 2020/21					Capital Expenditure 20/21			2020/21 Over/(Under) spend to Date
	2020/21	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Capital Plan	Commitments	Expenditure	Total	
Keighley Rebuild	£900,000	£0	£0	£0	£900,000	£0	£0	£0	-£900,000
Cleckheaton Rebuild	£50,000	£0	£0	£0	£50,000	£0	£0	£0	-£50,000
FSHQ Rebuild	£100,000	£0	£0	£0	£100,000	£0	£0	£0	-£100,000
TOTAL NEW CAPITAL SCHEMES 20/21	£1,050,000	£0	£0	£0	£1,050,000	£0	£0	£0	-£1,050,000
Wakefield	£0	£1,575,462	£0	£0	£1,575,462	£1,531,546	-£40	£1,531,506	-£43,956
TOTAL SLIPPED SCHEMES	£0	£1,575,462	£0	£0	£1,575,462	£1,531,546	-£40	£1,531,506	-£43,956
TOTAL EXPENDITURE APPROVED	£1,050,000	£1,575,462	£0	£0	£2,625,462	£1,531,546	-£40	£1,531,506	-£1,093,956
TOTAL CAPITAL 20/21	£1,050,000	£1,575,462	£0	£0	£2,625,462	£1,531,546	-£40	£1,531,506	-£1,093,956

Employment Services

Details of Scheme	Capital Plan 20/21					Capital Expenditure 20/21			2021/21 Over/(Under) spend to Date
	2020/21	2019/20	2020/21	2020/21	2020/21	2021/21	2021/21	2021/21	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Total	Commitments	Expenditure	Total	
PPE Racking & Storage unit	£70,000	£0	£0	£0	£70,000	£0	£0	£0	-£70,000
OHU Medical System	£21,000	£0	£0	£0	£21,000	£0	£0	£0	-£21,000
Assist Technology	£11,000	£0	£0	£0	£11,000	£0	£0	£0	-£11,000
TOTAL CAPITAL PLAN 2020/21	£102,000	£0	£0	£0	£102,000	£0	£0	£0	-£102,000
TOTAL EXPENDITURE APPROVED	£0	£0	£0	£0	£0	£0	£0	£0	£0
TOTAL EXPENDITURE APPROVED	£102,000	£0	£0	£0	£102,000	£0	£0	£0	-£102,000

CAPITAL BUDGET MONITORING

2020/21

SERVICE DELIVERY

FIRE SAFETY

Details of Scheme	Capital Plan 20/21					Capital Expenditure 20/21			2020/21 Over/(Under) spend to Date
	2020/21	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Total	Commitments	Expenditure	Total	
Home Fire Safety Checks	£500,000	£0	£0	£0	£500,000	£0	£49,500	£49,500	-£450,500
TOTAL CAPITAL PLAN 2020/21	£500,000	£0	£0	£0	£500,000	£0	£49,500	£49,500	-£450,500
SLIPPED SCHEMES									
Fire Alarms	£0	£78,876	£0	£0	£78,876	£4,500	£0	£4,500	-£74,376
TOTAL SLIPPAGE	£0	£78,876	£0	£0	£78,876	£4,500	£0	£4,500	-£74,376
TOTAL EXPENDITURE APPROVED	£500,000	£78,876	£0	£0	£578,876	£4,500	£49,500	£54,000	-£524,876

SERVICE SUPPORT

TRANSPORT

Details of Scheme	Capital Plan 20/21					Capital Expenditure 20/21			2020/21 Over/(Under) spend to Date
	2020/21	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	
	Original Capital Plan	Slippage b/f	Decrease	Increase	Total	Commitments	Expenditure	Total	
Vehicle Replacement	£43,000	£0	£0	£0	£43,000	£0	£0	£0	-£43,000
TOTAL CAPITAL PLAN 2020/21	£43,000	£0	£0	£0	£43,000	£0	£0	£0	-£43,000
SLIPPED SCHEMES									
Vehicle replacement project - 2 Welfare Vehicles, appliance, prime movers, POD, cadet vehicles, aerials	£0	£135,565	£0	£0	£135,565	£0	£0	£0	-£135,565
CLM Vehicle procurement	£0	£6,679	£0	£0	£6,679	£0	£88,833	£88,833	£82,154
Aerial appliances	£0	£110,173	£0	£0	£110,173	£0	-£2,584	-£2,584	-£112,757
TOTAL SLIPPED SCHEMES	£0	£252,417	£0	£0	£252,417	£0	£86,249	£86,249	-£166,168
TOTAL EXPENDITURE APPROVED	£43,000	£252,417	£0	£0	£295,417	£0	£86,249	£86,249	-£209,168
TOTAL CAPITAL 20/21	£43,000	£252,417	£0	£0	£295,417	£0	£86,249	£86,249	-£209,168

CAPITAL BUDGET MONITORING 2020/21

SERVICE SUPPORT

ICT

Details of Scheme	Capital Plan20/21					Capital Expenditure 20/21			Over/(Under) spend to Date	
	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2020/21</u>	<u>2021/21</u>	<u>2021/21</u>	<u>2021/21</u>		
	Original Capital Plan	Slippage b/f	Decrease	Increase	Total	Commitments	Expenditure	Total		
Network switches	£400,000	£0	£0	£0	£400,000	£0	£0	£0	£-400,000	#
Computer hardware	£105,000	£0	£0	£0	£105,000	£0	£0	£0	£-105,000	#
Virtual server Storage	£350,000	£0	£0	£0	£350,000	£0	£0	£0	£-350,000	#
Server backup hardware	£250,000	£0	£-102,000	£0	£148,000	£0	£0	£0	£-148,000	#
Appliance Mobile phones	£30,000	£0	£0	£0	£30,000	£0	£0	£0	£-30,000	#
Vehicle CCTV	£390,000	£0	£0	£0	£390,000	£0	£0	£0	£-390,000	#
Replacement of station tannoy	£120,000	£0	£-120,000	£0	£0	£0	£0	£0	£0	#
Thin Client	£100,000	£0	£-100,000	£0	£0	£0	£0	£0	£0	#
BYOD	£60,000	£0	£0	£0	£60,000	£0	£0	£0	£-60,000	#
BI Tool	£10,000	£0	£0	£0	£10,000	£0	£0	£0	£-10,000	#
UPS on stations	£50,000	£0	£0	£0	£50,000	£0	£0	£0	£-50,000	#
Implement Office 365	£65,000	£0	£0	£0	£65,000	£0	£0	£0	£-65,000	#
EMOC replacement	£30,000	£0	£0	£0	£30,000	£0	£0	£0	£-30,000	#
Mobile phones	£55,000	£0	£102,000	£0	£157,000	£0	£0	£0	£-157,000	#
MDT Routers	£150,000	£0	£0	£0	£150,000	£0	£0	£0	£-150,000	#
ICT Station Equip	£87,000	£0	£0	£0	£87,000	£0	£0	£0	£-87,000	#
VOIP	£165,000	£100,000	£0	£0	£265,000	£119,350	£119,350	£238,700	£-26,300	#
TOTAL NEW CAPITAL SCHEMES 20/21	£2,417,000	£100,000	£-220,000	£0	£2,297,000	£119,350	£119,350	£238,700	£-2,058,300	
SLIPPED SCHEMES										
Command Training	£0	£59,830	£0	£0	£59,830	£0	£0	£0	£-59,830	#
Protection Database	£0	£50,000	£0	£0	£50,000	£35,200	£0	£35,200	£-14,800	#
Hydrant Management	£0	£6,350	£0	£0	£6,350	£6,350	£0	£6,350	£0	#
Equipment management & RFID tagging	£0	£119,000	£0	£0	£119,000	£0	£0	£0	£-119,000	#
Refresh of ICT training suite	£0	£12,500	£0	£0	£12,500	£0	£14,485	£14,485	£1,985	#
Replacement computer hardware	£0	£52,403	£0	£0	£52,403	£0	£34,197	£34,197	£-18,206	#
VolP	£0	£100,000	£0	£0	£100,000	£0	£0	£0	£-100,000	#
Media Storage Solution	£0	£200,000	£0	£0	£200,000	£165,125	£0	£165,125	£-34,875	#
ICT Station Equipment	£0	£120,000	£0	£0	£120,000	£0	£0	£0	£-120,000	#
Opex Interface	£0	£79,500	£0	£0	£79,500	£2,000	£15,000	£17,000	£-62,500	#
Retained Pager Replace	£0	£16,970	£0	£0	£16,970	£21,102	£0	£21,102	£4,132	#
Additional resource for HR & Rostering	£0	£96,000	£0	£0	£96,000	£73,508	£-11,340	£62,168	£-33,832	#
Mobile Working	£0	£19,368	£0	£0	£19,368	£0	£0	£0	£-19,368	#
TOTAL SLIPPED SCHEMES	£0	£931,921	£0	£0	£931,921	£303,285	£52,342	£355,627	£-576,294	
TOTAL EXPENDITURE APPROVED	£2,417,000	£1,031,921	£-220,000	£0	£3,228,921	£422,635	£171,692	£594,327	£-2,634,594	

**CAPITAL BUDGET
MONITORING 20/21
SERVICE DELIVERY
OPERATIONS**

Details of Scheme	Capital Plan 20/21					Capital Expenditure 20/21			Over/(Under) spend to Date	
	2020/21	2019/20	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21		
	Original Capital Plan	Slippage b/f	Decrease	Increase	Total	Commitments	Expenditure	Total		
Water Rescue	£10,000	£0	£0	£0	£10,000	£0	£0	£0	-£10,000	##
Lay Flat Hose	£50,000	£0	£0	£0	£50,000	£9,584	£0	£9,584	-£40,416	##
Gas tight suits	£10,000	£0	£0	£0	£10,000	£0	£0	£0	-£10,000	##
Battery Operated PPV	£150,000	£0	£0	£65,000	£215,000	£0	£0	£0	-£215,000	##
Scene Lighting	£100,000	£0	-£100,000	£0	£0	£0	£0	£0	£0	##
High Rise Branches	£28,000	£0	£0	£0	£28,000	£0	£0	£0	-£28,000	##
Thermal Image	£55,000	£0	£0	£0	£55,000	£0	£0	£0	-£55,000	##
Body Worn Video	£30,000	£0	£0	£0	£30,000	£0	£0	£0	-£30,000	##
DEFRA Water rescue	£150,000	£0	£0	£0	£150,000	£0	£0	£0	-£150,000	##
NPAS Video	£75,000	£0	£0	£0	£75,000	£0	£0	£0	-£75,000	##
Hydrants	£450,000	£0	-£85,000	£0	£365,000	£0	£57,738	£57,738	-£307,262	##
PPE General	£0	£0	£0	£100,000	£100,000	£0	£0	£0	-£100,000	##
Wildfire	£0	£0	£0	£20,000	£20,000	£16,356	£0	£16,356	-£3,644	##
TOTAL CAPITAL PLAN 2020/21	£1,108,000	£0	-£185,000	£185,000	£1,108,000	£25,940	£57,738	£83,678	-£1,024,322	
SLIPPED SCHEMES										
Replacement of Operational F	£0	£974,717	£0	£0	£974,717	£0	£0	£0	-£974,717	##
Fire Fighting helmets	£0	£210,000	£0	£0	£210,000	£0	£0	£0	-£210,000	##
Industrial Washing Machines	£0	£56,375	£0	£0	£56,375	£2,750	£50,875	£53,625	-£2,750	##
New Control Project - Conting	£0	£338,000	£0	£0	£338,000	£0	£0	£0	-£338,000	##
Aerial Vehicle Drone	£0	£2,613	£0	£0	£2,613	£0	-£791	-£791	-£3,404	##
TOTAL SLIPPAGE	£0	£1,581,705	£0	£0	£1,581,705	£2,750	£50,084	£52,834	-£1,528,871	
TOTAL EXPENDITURE APPROVED	£1,108,000	£1,581,705	-£185,000	£185,000	£2,689,705	£28,690	£107,822	£136,512	-£2,553,193	

Summary of Investments as at 26 June 2020

Counterparty	£	Interest Rate %	Date Invested	Maturity Date
Lloyds 32 Day Notice Account	15,620	0.25		
Santander 180 Day Notice Account	6,000,000	0.60		
Handelsbanken 35 Day Notice Account	602,409	0.35		
Handelsbanken Current Account	765	0.25		
Kingston upon Hull City Council	5,000,000	0.90	29/01/2020	29/07/2020
Walsall Council	5,000,000	0.92	09/04/2020	13/10/2020
Ashford BC	5,000,000	0.80	20/04/2020	20/08/2020
Aviva MMF	3,593,878	0.32		
Goldman Sachs MMF	6,907	0.10		
Aberdeen Std MMF	5,995,114	0.32		
Total	31,214,692			