



Summary Financial Statement 2018/19



Kent Fire &
Rescue Service

This Summary of Accounts shows where the Authority spent its money in the financial year 1 April 2018 to 31 March 2019 and gives an overview of its financial position at the end of March 2019.

The figures are taken from the full statement of accounts available on the Authority's website www.kent.fire-uk.org

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Money we Received in 18/19...



What we Spent the Money on in 18/19...



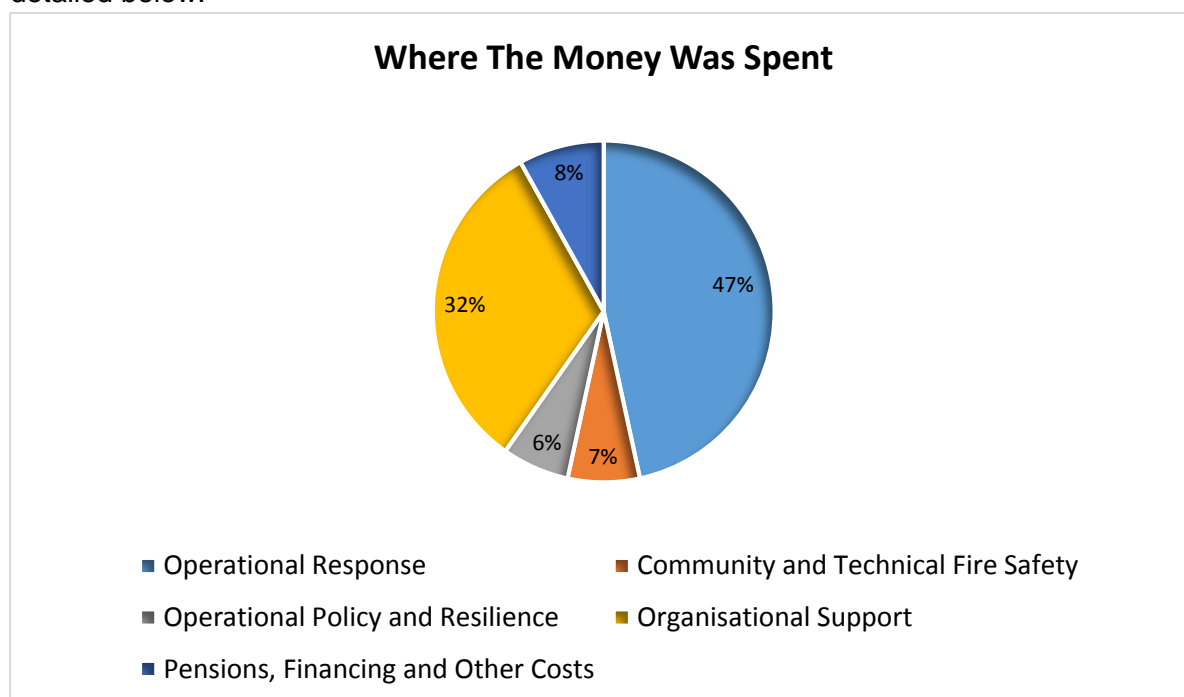
Reserves, Capital, Liabilities and Assets...



Summary of Accounts 2018/19

Where the money was spent

The Authority not only fights fires but deals with a range of emergencies from road traffic collisions, floods, explosions and chemical spillages, but we also support the Ambulance service at some Emergency Medical incidents, if we can get there sooner than our ambulance colleagues. Preventative work is also undertaken to ensure the public stay safe in their Environment and this can be a range of activities such as safe and well visits, road safety advice to schools and colleges, as well as advice and support to local businesses. A breakdown of the money we spend on delivering our day to day services, for 2018/19, is detailed below:-



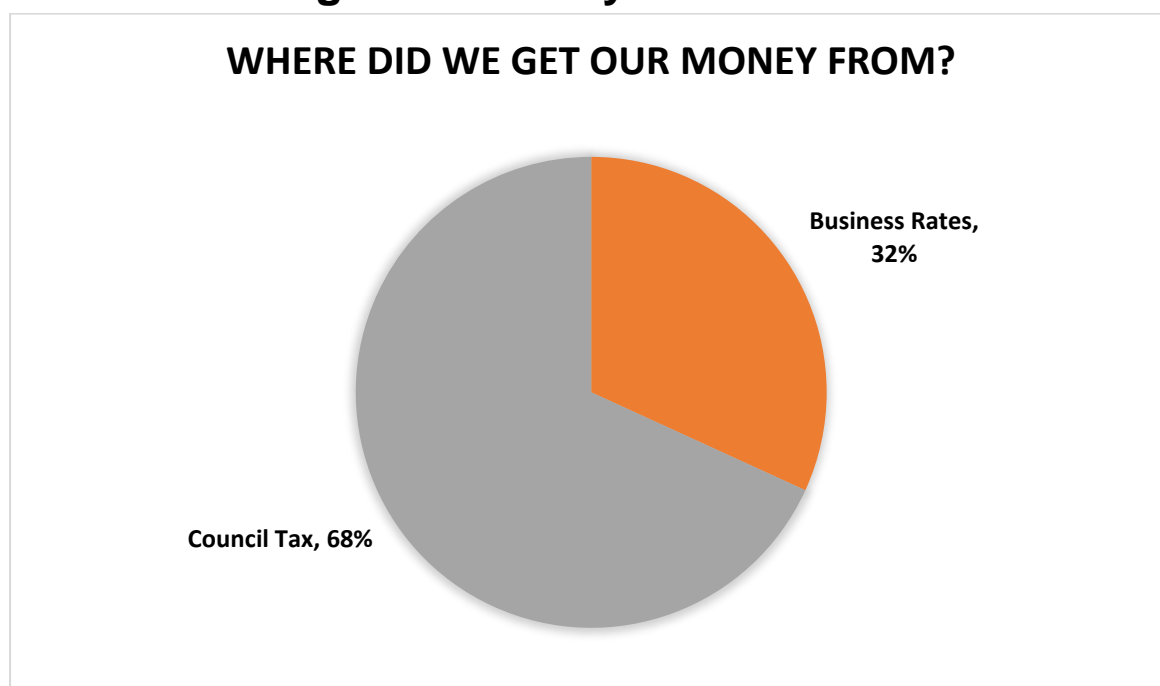
Summary Revenue Expenditure (Day to Day)	Amount £'000
Expenditure	
Operational Response (frontline response)	31,511
Community and Technical Fire Safety (Keeping you safe at home at work)	4,686
Operational Policy and Resilience (Continuous improvement and assurance)	4,391
Organisational Support (Supporting frontline services)	22,139
Pensions, Financing and Other Costs	5,578
Total Revenue Expenditure	68,305
Budget available for the year	69,853
Net Underspend for 2018/19	1,548

Of the £68m nearly 80% of expenditure related to employee expenses with the remainder spent on operating costs and interest payments.

A Summary of each of the headings is provided below:

- **Operational Response:** Firefighting and Rescue Services, Control Room
- **Community and Technical Fire Safety:** Technical Safety, Community Safety.
- **Operational Policy and Resilience:** Operational pre-planning, emergency planning, technical rescue, new dimension activity, Eurotunnel and other Channel Tunnel related activity.
- **Organisational Support:** Corporate Management and Business Support, Human Resources and training, Policy and Performance, Communications and Marketing, Member Allowances and Member support, Property and Procurement, Information Systems, Engineering and Transport, Finance and Insurance
- **Pensions, Financing and other costs:** Pension costs, cost of capital charges, borrowing costs and Infrastructure funding.

Where did we get our money from?



Summary Income	Amount £'000
Business Rates *	22,235
Council Tax	47,618
Total Income	69,853

*Non-Domestic Rates is the Authority's share of Business Rates collected by Medway and Kent District Councils. The Authority was included in the 100% Business Rates Retention Scheme pilot in 2018/19 so no Revenue Support Grant was received from Government.

Summary Balance Sheet

The balance sheet shows the value of the Authority's assets and liabilities at the year end. It shows what the Authority owns, the money the Authority is owed and money that the Authority owes to others.

Summary Balance Sheet	31-Mar-18	31-Mar-19
	£'000	£'000
Assets		
Physical assets owned by the Authority	92,014	113,957
Stocks	135	132
Amounts owed to the Authority	11,628	10,028
Deposits of money	30,038	34,709
Cash at bank	7,135	7,191
Total Assets	140,950	166,017
Less Liabilities:		
Amounts owed by the Authority exc loans	-9,064	-10,749
Loans from the PWLB*	-2,730	-2,425
Provisions	-1,102	-1,136
Pension Long Term Liabilities	-877,507	-918,266
Net Assets	-749,453	-766,559
Amounts held in Reserves		
General reserves	-4,060	-4,060
Earmarked (usable) reserves	-28,615	-29,360
Capital receipts reserves	-8,884	-8,884
Unusable reserves	791,012	808,863
Total Reserves	749,453	766,559

*Public Works Loan Board

Assets

Physical assets owned by the Authority:

- **Land and Buildings** net book value increased to £97,456k (£69,385k 2017/18) largely attributed to revaluation increases of £21,305k off set by depreciation charges of £2,328k, plus £2,959k of additions, £6,359k of Assets under construction completed in year and net movements in cost or valuation or asset classification amounting to a reduction of £224k.
- **Vehicles Plant and Equipment** net book value reduced to £14,672k (£15,121k 2017/18) largely attributed to a £2,395k depreciation charge and net disposals of £47k offset by £1,642k of additions and £354k increased revaluation and other adjustments of net -£3k.
- **Assets Under Construction** net book value reduced to £118k (£6,394k 2017/18) largely due to the new building of Ramsgate Station being completed in year and being reclassified under land and buildings.
- **Surplus Assets** increased to £1,360k which included 4 houses and land at Medway.
- **Assets Held for sale** reduced to £350k (£1,114k 2017/18) being the Old Ramsgate Fire Station and the remainder of properties had been reclassified into the Surplus Asset category.

Amounts owed to the Authority - Short term debtors have reduced by £1,600k, largely due to a reduction in the Pension Fund top up grant requirement of £937k, a reduction of Central Government debtors of £555k mainly due to a lower amount of VAT to be repaid by HMRC on the March VAT submission, with remaining debtors having a net impact of a reduction of £108k.

Deposits of money - The amount placed in total deposits, including Treasury Bills, fixed deposits with banks and Debt Management Office accounts increased by £4,671k.

Liabilities

Amounts owed by the Authority - Short term creditors increased by £1,685k, largely due to the date that payroll related deductions are paid over. Last year due to the new financial system implementation, payment had to be made on the last working day in March, as opposed to the 1 April as the new system was being implemented hence last year's creditors were lower than usual, compared to the previous year.

Loans from the PWLB - This year an outstanding loan of £305k became repayable and this had resulted in the Authority's outstanding loans with PWLB reducing to £2,425k.

Provisions - There has been a slight increase to provisions set aside, the majority of which is in relation to the Authority's share of non-domestic rate appeals which increased by £46k, however there was a reduction of £12k for amounts set aside to meet the cost of existing insurance claims.

Pension Long Term Liabilities - These amounts reflect the underlying commitments that the Authority has in the long run to pay post-employment (retirement) benefits. The Firefighters pension liability has increased by £41,229k. The liability has increased due to estimated actuarial gains determined by the Actuary of £14,202k, interest costs of £21,387k and the difference of £5,640k between the benefits paid less contributions by participants and service costs.

The Local Government Pension Scheme (LGPS) pension liability less scheme assets has reduced by a net £470k. The liability has reduced largely as a result of the estimated net actuarial gains determined by the Actuary of £501k, interest costs of £2,191k both partly offset by the difference of £2,462k between the benefits paid less, contributions by participants and service costs. Over the year the net value of assets has increased by £4,622k.

Reserves

General Reserves - need to be maintained to enable the Authority to meet any urgent and unforeseen costs that arise and cannot otherwise be accommodated. At 31 March 2019 the Authority held £4,060k of General Reserves.

Earmarked Usable Reserves - this is money held by the Authority for specific purposes. This includes money for future station improvements, the replacement of large items of equipment, the purchase of vehicles and improvements in IT. At 31 March 2019, the Authority held £29,360k of usable reserves.

Capital Receipts Reserve - this is money raised from the sale of assets, such as the sale of a fire station.

Unusable reserves - this reserve reflects accounting adjustments that the Authority undertakes in relation to assets and liabilities so as not to impact on the Council Tax payer.

Summary Cashflow

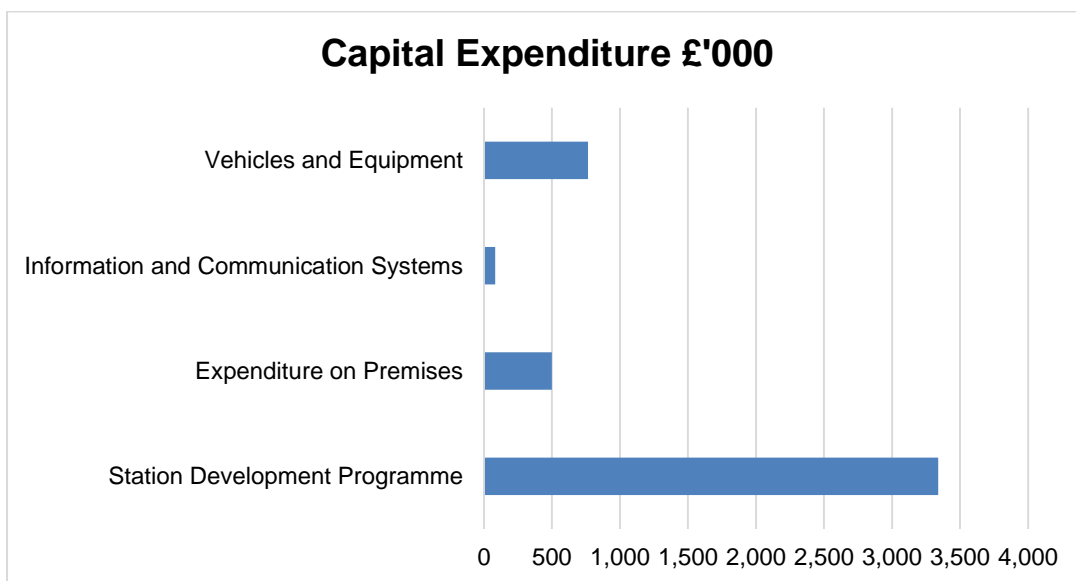
Cashflow is the actual money that is moving in and out of the Authority's bank accounts. Figures differ from the amounts shown in the Comprehensive Income and Expenditure Statement due to accounting policies, where the Authority has to recognise income when the invoice is raised or recognise expenditure when the goods or service have been received as opposed to when the cash is actually received or paid, this is known as accrual accounting. Whereas the Cashflow shows the true cash in and out of the Authority during the year. It shows the Authority generated a "positive" cashflow and had sufficient income to cover its outgoings.

Summary Cash Flow Statement	2017-18 Amount £'000	2018-19 Amount £'000
Cash Receipts		
Council Tax	-45,475	-47,618
Amounts from Government	-9,042	-
Business Rates	-14,121	-22,171
Sale of Asset	-565	-
Income from sales and services	-1,909	-1,981
Interest and dividends	-90	-211
Investment Activity	-1,630	-
Other Income	-2,070	-4,136
Total Cash Income	-74,902	-76,117
Cash Payments		
Employee related costs	51,557	50,590
Running costs	17,152	15,076
Interest Paid	138	131
Repayment of Loans	305	305
Investment Activity	-	4,653
Purchase of assets	5,449	5,306
Total Cash Payments	74,601	76,061
Net Increase in Cash	-301	-56

The amount of net cash held by the Authority was £56k (reduced from £301k in 2017/18), this is due to the cash inflows from operating activities of £76,117k, reduced by cash payments totalling £76,061k as detailed above. Placing deposits in an account to earn interest can have a substantial impact on the cashflow, for example when they are deposited or returned from banks, the Debt Management Office etc.

Capital Expenditure

During 2018/19 the Authority spent £4,685k on capital projects, most of which was spent on the building of the new fire station at Ramsgate. Capital expenditure generally represents money spent by the Authority on the acquisition, upgrade and improvement of its long-term assets, such as its vehicles, buildings and IT infrastructure.



Capital Expenditure

Expenditure	Amount £'000
Station Development Programme	3,339
Expenditure on Premises	497
Information and Communication Systems	84
Vehicles and Equipment	765
Total Capital Spend	4,685