



Summary Financial Statement 2017/18



Kent Fire &
Rescue Service

This Summary of Accounts shows where the Authority spent its money in the financial year 1 April 2017 to 31 March 2018 and gives an overview of its financial position at the end of March 2018.

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

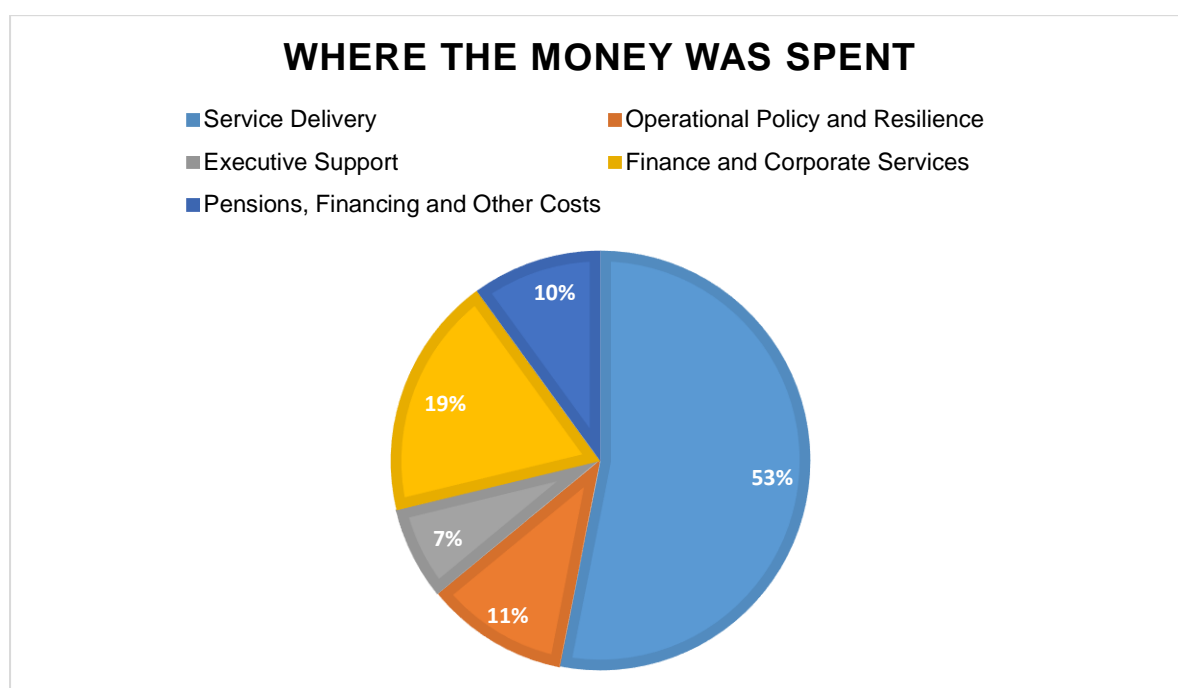
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Summary of Accounts 2017/18

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. Preventative work is also undertaken to ensure the public stays safe, undertaking work 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 spent on delivering our day to day services for 2017/18, is detailed below:-



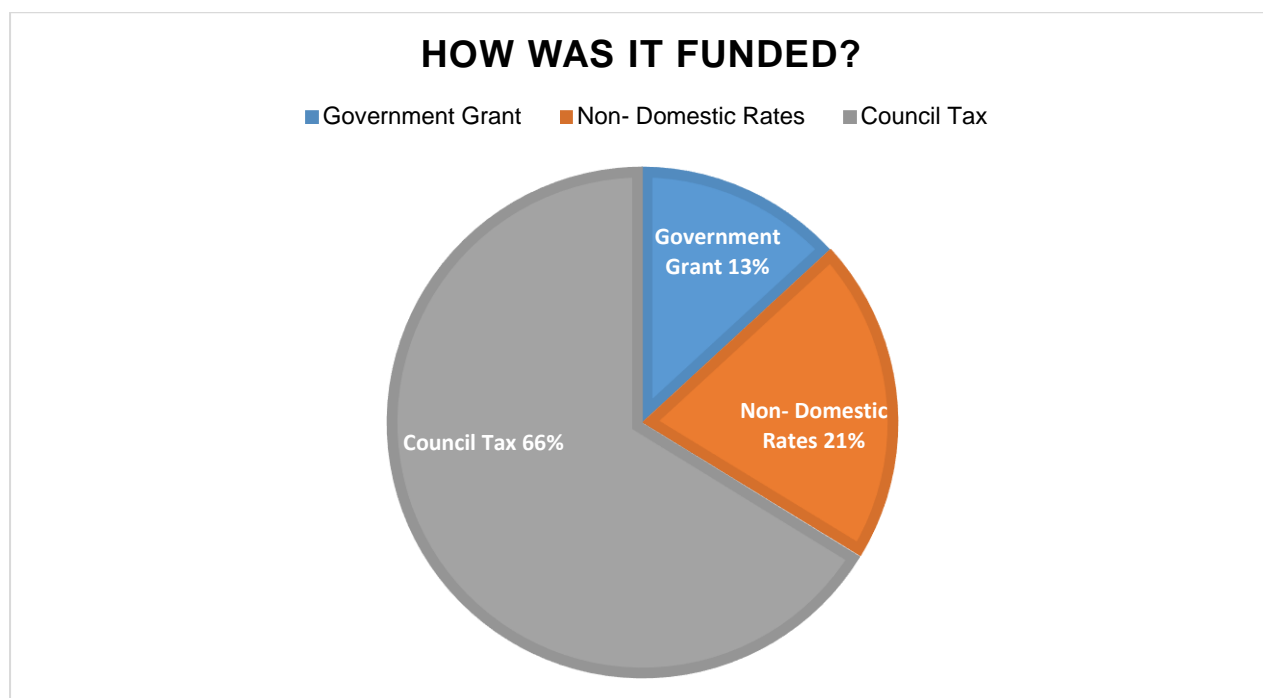
Summary Revenue Expenditure (Day to Day)	Amount £'000
Expenditure	
Service Delivery	36,103
Operational Policy and Resilience	7,470
Executive Support	4,855
Finance and Corporate Services	12,757
Pensions, Financing and Other Costs	6,807
Total Revenue Expenditure	67,992

Of the £67.9m, 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;

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

How was it funded?



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	Amount £'000
Summary Income	
Government Grant	9,042
Non-Domestic Rates	14,121
Council Tax	45,475
Total Income	68,638

As the actual expenditure was below that budgeted this resulted in a net underspend of **£646k** against the budget.

Summary Balance Sheet

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

Summary Balance Sheet	31-Mar-17 £'000	31-Mar-18 £'000
Assets:		
Physical assets owned by the Authority	83,758	92,014
Stocks	95	135
Amounts owed to the Authority	9,955	11,628
Deposits and investments	31,659	30,038
Cash at bank	6,834	7,135
Total Assets	132,301	140,950
Less Liabilities:		
Amounts owed by the Authority (excluding loans)	-9,178	-9,064
Loans from the Public Works Loans Board (PWLB)	-3,035	-2,730
Provisions	-946	-1,102
Pension Long Term Liabilities	-921, 521	-877,507
Net Assets	-802,379	-749,453
Amounts held in Reserves:		
General reserves	-4,150	-4,060
Earmarked reserves	-28,935	-28,615
Capital reserves	-8,319	-8,884
Useable grants	-28	-
Unusable reserves	843,811	791,012
Total Reserves	802,379	749,453

Assets

Physical assets owned by the Authority –

- **Land and Buildings** net book value increased to £69,385k (£64,051k in 2016/17) largely attributed to revaluation increases of £8,007k offset by depreciation charges of £2,111k, net disposals of £529k and an adjustment for additions and assets under construction net of £32k.
- **Vehicles Plant and Equipment** net book value reduced to £15,121k (£17,472k in 2016/17) largely attributed to a £2,528k depreciation charge and net disposals of £101k offset by £194k of additions and £84k increased revaluation.
- **Assets Under Construction** net book value increased to £6,394k (£1,009k in 2016/17) largely due to the building of the new Ramsgate Fire Station, which on completion will transfer in to the Land and Buildings category.
- **Assets Held for Sale** reduced from £1,114k (£1,226k in 2016/17) following the sale of some assets in year.

Amounts owed by the Authority - Short term debtors have increased by £1,673k. This is largely due to an increase of £1,285k with regard to the Pension Fund top-up; the recognition of the available funds to the Authority within the Apprenticeship Levy of £185k; and other debtors £203k.

Deposits and Investments - The amount placed in total investments, including Treasury Bills, fixed deposits with banks and Debt Management Office accounts, reduced by £1,621k.

Liabilities

Amounts owed by the Authority - Short term creditors reduced by £114k which was due to a reduction in Trade Creditors outstanding at year end.

Loans from PWLB - This year an outstanding loan of £305k became repayable and this resulted in the Authority's outstanding loans with PWLB reducing to £2,730k.

Provision - There has been a slight increase to provisions set aside, the majority of which are in relation to the Authority's share of non-domestic rate appeals which increased by £130k, and a further £26k in relation to sums 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 Scheme liability has reduced by £43,935k. The liability has reduced

due to estimated actuarial gains determined by the actuary of £61,494k and interest costs of £24,744k, both partly offset by the difference of £7,185k between the benefits paid less contributions by participants and service costs.

The Local Government Pension Scheme (LGPS) pension liability less scheme assets has decreased by a net £79k. The liability has reduced largely as a result of the estimated net actuarial gains determined by the actuary of £2,837k and interest costs of £353k, both partly offset by the difference of £2,593k between the benefits paid less contributions by participants and service costs. Over the year the net value of assets has increased by £2,188k.

Reserves

General Reserves - need to be maintained at an adequate level to provide a sound financial basis and meet any unforeseen calls on the Authority's resources. At 31 March 2018 the Authority held £4,060k of General Reserves.

Usable Reserves - are funds of money held by the Authority for specific purposes. These include money for future station improvements and the replacement of large items of equipment. At 31 March 2018, the Authority held £28,615k of useable reserves.

Unusable reserves - reflect accounting adjustments that the Authority undertakes in relation to assets and liabilities so as not to impact on the Council Tax payer. They would only be realised if the assets were sold and therefore cannot be used by the Authority to provide services.

Cashflow

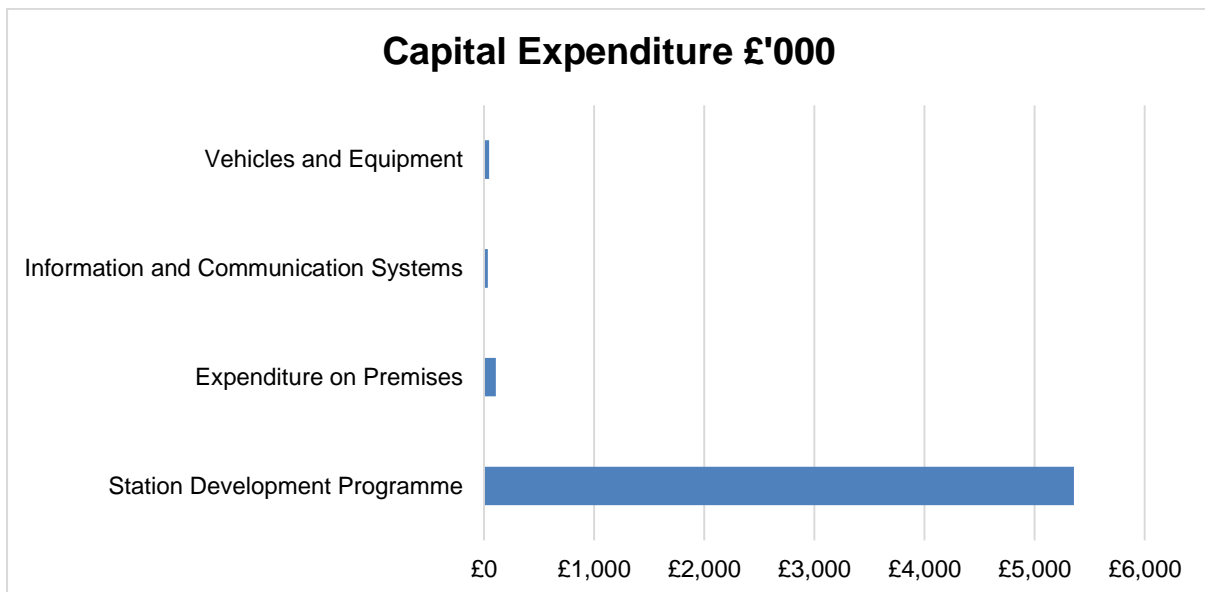
Cashflow is the actual money that is moving in and out of the Authority. Figures differ from the amounts shown in the Comprehensive Income and Expenditure Statement due to accounting policies, where the Authority has to recognise income when the invoice is raised or recognise expenditure when the goods 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 outgoings.

Summary Cash Flow Statement	2016-17 Amount £'000	2017-18 Amount £'000
Cash Receipts		
Council Tax	-43,695	-45,475
Amounts from Government	-12,081	-9,042
Business Rates	-13,516	-14,121
Sale of Asset	-	-565
Income from sales and services	-2,027	-1,909
Interest and dividends	-158	-90
Investment Activity	-	-1,630
Other Income	-1,727	-2,070
Total Cash Income	-73,204	-74,902
Cash Payments		
Employee-related costs	51,834	51,557
Running costs	16,048	17,152
Interest Paid	152	138
Repayment of Loans	300	305
Investment Activity	3,916	-
Purchase of assets	6,087	5,449
Total Cash Payments	78,337	74,601
Net Increase in Cash	5,133	-301

The amount of cash held by the Authority increased by £301k (reduction of £5,133k in 2016/17). This is due to the cash inflows from operating activities of -£74,902k, reduced by cash payments totalling £74,601k as detailed above. Investment activity can have a substantial impact on the cashflow where funds are deposited or returned from banks, the Debt Management Office, etc, as can be seen above.

Capital Expenditure

During 2017/18 the Authority spent £5,546k on capital projects, the most significant of which was 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.



Expenditure	Amount £'000
Station Development Programme	5,356
Expenditure on Premises	109
Information and Communication Systems	35
Vehicles and Equipment	46
Total Capital Spend	5,546