



Merseyside Fire & Rescue Service

2020/21 Summary Statement of Accounts

Background to Merseyside Fire and Rescue Service

Merseyside is a metropolitan area in the North West of England, covering the District Councils of Knowsley, Liverpool, Sefton, St. Helens and Wirral. It covers an area of 645 km² and has a resident population of just over 1.4 million people.

Merseyside Fire & Rescue Authority (MFRA) is a local authority created by the Local Government Act 1985. It is made up of 18 elected representatives appointed by the constituent District Councils. The number of councillors from each district is determined by statute and in most cases is representative of the political composition of that Council. During 2020/21, this was as follows:

Knowsley	2	(2 Labour)
Liverpool	6	(5 Labour, 1 Liberal Democrat)
Sefton	4	(3 Labour, 1 Liberal Democrat)
St. Helens	2	(2 Labour)
Wirral	4	(2 Labour, 2 Conservative)

The Authority's Mission and Aims are outlined below and the approved 2020/21 financial plan had prioritised the allocation of resources to deliver the Mission and the Integrated Risk Management Plan (IRMP).

Our Mission;

To Achieve; Safer, Stronger Communities - Safe Effective Firefighters

Our Aims;

Excellent Operational Preparedness

We will provide our firefighters with the training, information, procedures and equipment to ensure they can safely and effectively resolve all emergency incidents.

Excellent Operational Response

To maintain an excellent emergency response to meet risk across Merseyside with safety and effectiveness at its core.

Excellent Prevention and Protection

We will work with our partners and our community to protect the most vulnerable.

Excellent People

We will develop and value all our employees, respecting diversity, promoting opportunity and equality for all.

The Authority's Fire and Rescue Service is led by a Chief Fire Officer, supported by a Strategic Leadership Team (SLT) comprising of the Deputy Chief Fire Officer, Assistant Chief Fire Officer, and other senior managers.

The Authority delivered its services through:

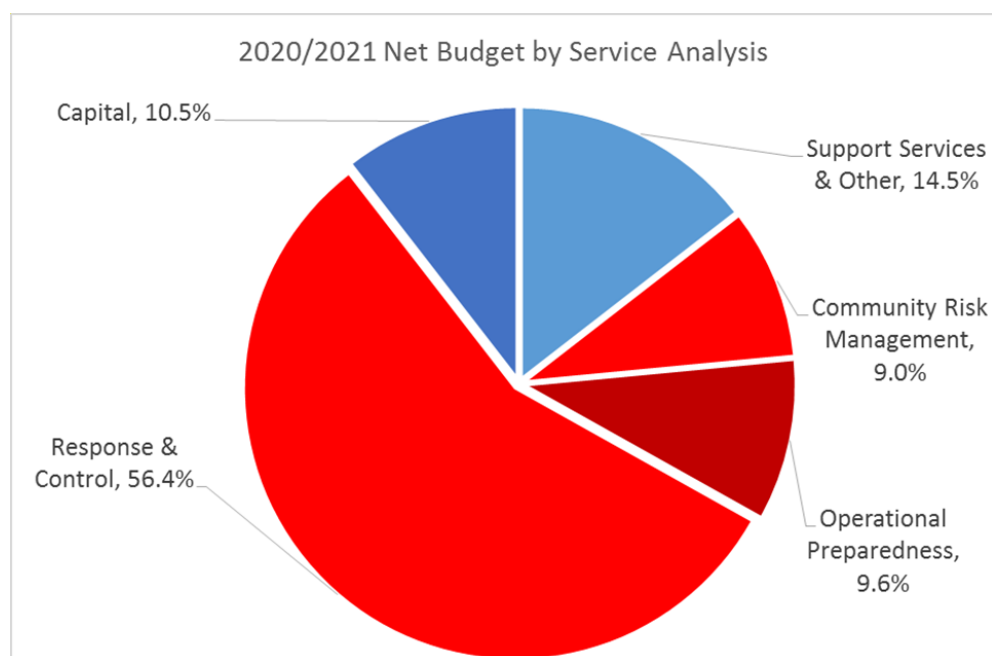
- employing circa 990 employees at the end of March 2021, (approximately 962 full time equivalents) most of the staff are involved in front line service delivery (firefighters, marine rescue and community prevention and protection work)
- 30 fire appliances available day and night (a combination of wholtime and retained). In practical terms, this will mean that during the day the Authority will have 27 appliances immediately available with a further 3 available within 30 minutes.
- 22 Community Fire Stations with a variety of duty systems. These stations act as hubs for providing services to our communities. These stations will incorporate a variety of duty systems. In addition to the community fire stations, the Authority has a Marine Rescue Unit, a Training and Development Academy, a Headquarters and an Operational Workshop/Stores.

The 2020/21 Approved Financial Plan & Financial Performance for the Year.

The Authority determines its budget requirement by assessing the service commitments that are financed through its General Fund. The General Fund is a statutory account that records only those expenses that regulations allow to be charged against the amount to be collected from council taxpayers. The Authority then monitors and manages expenditure throughout the year against the General Fund budget to ensure all expenditure is affordable and planned. The General Fund position for the year is shown in the Movement in Reserves Statement.

The Authority has historically maintained a rolling five-year comprehensive medium term financial plan (MTFP) and plans prudently to deal with all known reductions in Government funding and required investments in the Service. The Authority approved a 2019/2020 – 2023/2024 medium term financial plan (MTFP) at the Budget Authority meeting on 28th February 2019 that anticipated the 2020/2021 funding position and set a 2020/2021 budget within the expected level of resources. The Authority's 2020/2021 Government Settlement Funding Assessment, (SFA), increased by 1.6% compared to the 2019/2020 SFA, this was +0.1% or £0.040m above the 2020/2021 anticipated SFA figure included in the 2019/20 MTFP. The Authority revised some of the budget assumptions in the 2020/2021 MTFP that increased the total expenditure forecast by £0.580m, mainly as a result of the increase in the annual pay award assumption from 2.0% to 2.5% and other new cost pressures. However, as available funding increased by £0.580m (as a result of a higher than anticipated council tax base increase and one-off increases in the collection fund(s)) the overall 2020/2021 forecast remained in a balanced position without the need to identify new savings in Service expenditure.

The Authority set its General Fund budget for 2020/21 at £61.960m, of which approximately 75% directly funds activities related to fire response or prevention work. An analysis of the budget over the Authority's strategic services is outlined in the chart below: -



The Authority adopted a reserves strategy that maintained a General Reserve of £3.000m and Earmarked Reserves (as at 01.04.20) of £17.955m. These reserves are required to cater for specific risks, projects and one-off initiatives and in particular, to help the Authority manage effectively the financial pressures it faces.

2020/21 Revenue Outturn Position:

Throughout the year, the Authority received regular financial review reports detailing:-

- the service's progress in implementing the approved savings options,
- any additional budget amendments required,
- plus the movements from and to reserves.

The cash savings required to balance the budget were delivered.

The approved General Fund budget remained constant throughout the year at £61.960million. The table below summarises the **actual general revenue fund position** at year-end and compares it to the budget. Overall, the Authority spend matched the budget after taking into account the £1.622 million increase in earmarked reserves approved at the year-end to cover planned expenditure in 2021/22 and future years.

Programme	Fire Service Budget £'000	Fire Authority £'000	National Resilience £'000	Total Budget £'000	Actual £'000	Variance £'000
Expenditure						
Employee costs	50,068	348	1,961	52,377	51,100	(1,277)
Premises costs	2,987	-	-	2,987	2,902	(85)
Transport costs	1,040	-	6,244	7,284	6,985	(299)
Supplies and services	3,716	9	2,096	5,821	5,258	(563)
Agency services	6,392	-	644	7,036	6,809	(227)
Central support services	512	125	-	637	611	(26)
Capital financing	5,785	-	7	5,792	5,792	-
Income	(14,653)	-	(10,952)	(25,605)	(24,613)	992
Net expenditure	55,847	482	-	56,329	54,844	(1,485)
Contingency pay & prices	110	-	-	110	-	(110)
Interest on balances	(172)	-	-	(172)	(199)	(27)
	55,785	482	-	56,267	54,645	(1,622)
Movement on reserves	5,693	-	-	5,693	7,315	1,622
Overall financial position	61,478	482	-	61,960	61,960	-

The Authority had adopted a strategy that would aim as far as possible to utilise any in year revenue savings to fund additional debt repayments via the Minimum Revenue Provision, MRP, in order to free up future debt servicing budget to re-invest in front line services. During the year, the Authority approved in principle a scheme to build a new training centre and a new fire station to replace two existing stations (Aintree and Croxteth) at a cost of £25m. In order to reduce the requirement to fund this investment via borrowing the Authority approved a strategy of increasing the capital reserve through; one-off savings that materialise in the year; the re-alignment of existing reserves; and the release of budget during the 2021/22 budget process. Throughout the year managers looked at every opportunity to maximise savings against the approved budget to enable an increase in the capital reserve. A 2020/21 year-end "underspend" of £1.412m (after taking into account other year-end earmarked reserves requests of £0.210m) was used to increase the capital reserve to contribute towards the cost of the new training and development academy (TDA). After taking account of the year-end reserves the net position on the revenue account was that actual overall spend was consistent with the budget.

2020/21 Capital Investment Programme:

The Authority manages its capital investment plans through its capital programme. The approved budget and final expenditure together with the various sources of funding are shown below:

Programme	Final Budget £'000	Actual Expenditure £'000	Re-Phased from 2020/21 into Future Years £'000	Variance £'000
Expenditure				
Building/Land	5,201.2	3,575.7	1,498.7	(126.8)
Fire Safety	606.0	312.7	-	(293.3)
ICT	2,459.7	1,796.50	661.8	(1.4)
Operational Equip & Hydrants	1,032.5	457.0	545.8	(29.7)
Vehicles	2,169.0	1,173.2	995.8	-
TOTAL	11,468.4	7,315.1	3,702.1	(451.2)
Financing				
Capital Receipts	1,050.0	1,315.3	350.0	615.3
Revenue and Reserves	2,484.4	2,484.4	-	-
Grants	489.9	203.7	286.2	-
Unsupported Borrowing	7,444.1	3,311.7	3,065.9	(1,066.5)
TOTAL	11,468.4	7,315.1	3,702.1	(451.2)

The most significant items of capital expenditure have been:

- The completion of a new fire station in St Helens
- Work has commenced on the refurbishment of Heswall fire station
- Installation of smoke alarms
- Upgrades and replacement of ICT software and hardware
- Upgrade of the Fire Control hardware
- The purchase of new appliances and specialist vehicles.

Authority's Balance Sheet at 31st March 2021

The purpose of the balance sheet is to provide a summary of the assets and liabilities of the Authority at the end of the financial year and provide details of what reserves and balances the Authority has available. Basically, the statement shows what the Authority owns, is owed, and what it owes.

31 March 2020 £000		Notes	31 March 2021 £000
87,382	Property, plant and equipment	12	84,936
110	Intangible assets	13	142
-	Assets held for sale	18	-
-	Long-term investments	14	-
-	Long-term debtors	14	-
87,492	Long-term Assets		85,078
23,119	Short-term investments	14	29,107
350	Assets held for sale	18	350
649	Inventories	15	1,038
14,459	Short-term debtors	16	25,643
3,075	Cash and cash equivalents	14 & 17	5
41,652	Current assets		56,143
(1,301)	Short-term borrowing	14	(4,082)
(10,684)	Short-term creditors	19	(16,451)
-	Bank overdraft	14 & 17	(483)
(11,985)	Current liabilities		(21,016)
(17,324)	Long-term creditors	14	(16,858)
(1,096)	Provisions	20	(1,169)
(36,885)	Long-term borrowing	14	(33,885)
(1,093,226)	Other long-term liabilities	14 & 40	(1,165,303)
(1,148,531)	Long-term liabilities		(1,217,215)
(1,031,372)	Net liabilities		(1,097,010)
(25,357)	Usable reserves	21	(39,465)
1,056,729	Unusable reserves	22	1,136,475
1,031,372	Total reserves		1,097,010

Contact Us

The Authority values the opinions of the people it serves. Feedback on how useful you found this summary statement or if you feel anything else should have been included would be welcomed. Please do not hesitate to get in touch with me or my team at the contact point below.

If you wish to comment about the services of the Fire Authority, contact Fire Service Headquarters 0151 296 4000.

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For more information regarding the Authority, visit our website www.merseyfire.gov.uk