

MERSEYSIDE FIRE AND RESCUE AUTHORITY

MEETING OF THE:	AUTHORITY		
DATE:	30 JUNE 2015	REPORT NO:	CFO/061/15
PRESENTING OFFICER	KIERAN TIMMINS		
RESPONSIBLE OFFICER:	KIERAN TIMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:	STRATEGIC MANAGEMENT GROUP		
TITLE OF REPORT:	REVENUE & CAPITAL OUTTURN 2014/15		

APPENDICES:	APPENDIX A1- A4:	REVENUE BUDGET TO ACTUAL
	APPENDIX B:	2014/15 CAPITAL BUDGET TO ACTUAL
	APPENDIX C:	2015/16 – 2019/20 CAPITAL PROGRAMME

Purpose of Report

1. To report upon the Authority's year-end financial position for 2014/15.

Recommendation

2. That Members;
 - a. note the actual financial performance against the approved budget and the achievement of a net revenue saving in 2014/15 of £1.187m, and
 - b. approve the proposal to utilise the one-off saving of £1.187m to fund an increase in the Capital Investment Reserve in light of the planned station merger and investment strategy.

Executive Summary

The Authority faced a potential £10m budget deficit over the period 2013/14 – 2014/15, mainly due to a 16% cut in Government Grant. The Authority approved a robust financial plan to meet the deficit.

The approved revenue budget in 2014/15 was £64.356m. Having recognised the likely future financial challenges facing the public sector Members instructed Officers to try to further maximise savings in the year and deliver efficiencies as early as possible.

The final accounts of the Authority have now been completed prior to audit and a £1.187m saving has been delivered. This report proposes that this additional revenue saving be allocated to the capital investment reserve in light of the anticipated funding requirement for the station merger projects.

The Authority has an approved strategy of building up reserves in order to provide a short-term buffer while it re-engineers the service and hopefully the avoidance of any compulsory redundancies if possible.

Year-end earmarked reserves of £1.511m have been created to carry forward funds to cover initiatives or projects planned for 2014/15 which are now expected to occur in 2015/16. The General Fund balance remains as anticipated at £2.000m.

Capital spending was £7.850m resulting in a variance of £3.912m against the £11.762m budget for 2014/15. The variance can be broken down into:

- A £3.836m re-phasing of planned spend from 2014/15 into 2015/16, requiring the carry forward of capital budget. £2.157m of the rephrasing relates to the SHQ JCC project and other building works.
- A net underspend and saving on capital projects of £0.076m.

Introduction and Background

3. The Accounts and Audit (England) Regulations 2015 give the responsibility for signing off the unaudited statement of accounts to the responsible finance officer, who in MFRA is the Deputy Chief Executive (DCE). The DCE must sign the statement no later than 30th June immediately following the year-end. The DCE has now signed the 2014/15 statement of accounts (prior to audit) and certified that they represent a true and fair view of the financial position of the Authority. The Authority is still required to consider, approve and sign the audited statement of accounts for publication by 30th September 2015. The benefit of the change in procedure is that it allows Members to take into account any comments from the Auditor following the completion of their audit before considering the statement of accounts.
4. This report sets out the actual financial performance of the Authority compared to the approved 2014/15 revenue and capital budgets. Although Members are not required to consider or sign the unaudited statement of accounts at this time, copies of the statement can be made available for Members' inspection.

2014/15 Budget – Background

5. The Authority faced a £10m budget deficit over the 2013/14 – 2014/15 period mainly due to a 16% cut in Government grant (which makes up about two thirds of the Authority's revenue funding). This followed on from severe cuts from 2011/12 to 2012/13.
6. The Authority's medium term financial plan had assumed council tax increases of no more than 2%. The Authority increased its council tax by 2% or £1.37 to £70.07 for a band D property for 2014/15.

7. To deliver the savings needed because of the funding reductions the Authority recognised that as staff costs make up nearly 80% of its revenue budget it would have to reduce the number of staff. The Authority is committed to attempting to avoid compulsory redundancies (if possible) and also to minimise the impact of cuts on service levels to the communities of Merseyside.
8. The Authority adopted a medium term financial plan which included:-
 - An assumption that there would be pay-bill restraint for all staff.
 - An assumption that the Authority would generate savings of £4.010m by 2014/15 from other technical savings such as non-employee inflation and revenue costs associated with borrowing.
 - An assumption that additional income could be generated from shared use of current assets and sales of £0.500m.
 - An assumption that the Authority would generate efficiencies from management and back office costs of £2.397m by 2014/15. The savings resulted in a 15% reduction in managerial and back office roles – a reduction of 57 posts.
 - A reduction of 90 front line Firefighter posts equal to a 10% reduction in wholetime Firefighter roles.
 - A further reduction in the number of appliances (5 had previously been removed from the front line) from 37 to 28.
 - Use of reserves of £0.543m to smooth out budget cuts
 - An assumed Council tax increase from 2013/14 to 2018/19 of 2%.
9. The delivery of the approved financial plan was monitored closely and the vast majority have been implemented in full (the formal implementation of some £0.078m of minor staffing savings will be finalised in 2015/16).

How the 2014/15 Budget changed during the year

10. The Authority Revenue Budget for 2014/15 was set at £64.356m.
11. The Authority also set a five year capital investment programme, (2014/15 – 2018/19), of £26.102m, with a planned expenditure in 2014/15 of £10.038m.
12. The Authority adopted a reserves strategy, which maintains a general reserve of £2.894m and had anticipated £21.354m of earmarked reserves to cater for specific risks and to fund specific projects.
13. Throughout the year Members received regular financial review reports detailing the Service's progress in implementing the approved saving options, any additional budget amendments required, plus the movements from and to reserves.
14. Further minor budget amendments have been made since the last financial review report, CFO/010/14, was approved by the Authority on 27th February 2014, that reflect already approved policy decisions. These were;

Revenue:

- The use of £0.348m from reserves to the revenue budget, (of which £0.248m was use of the pension reserve to reflect the cost of ill health retirements);
- A number of self-balancing virements within the revenue account including the movement of £0.158m from the inflation provision to service budgets.

Capital:

- A small increase of £0.103m in the Building and ICT capital budgets to reflect the latest project costs and to purchase some IT equipment. The anticipated capital receipt for the Formby LLAR house (£0.350m) and Derby Road (£0.500m) has been rescheduled from 2014/15 to 2015/16. This has resulted in an increase in anticipated budgeted borrowing in 2014/15 that is offset by an equal reduction in borrowing in 2015/16.
- The capital programme has also been amended to re-phase and allocate provision for the improvements at the Museum which formed part of the overall HQ improvements. Members will recall that this was in part funded by the Ambulance service and a contribution from Telent.

The following tables show how the **overall** budget has changed across the year:

REVENUE BUDGET MOVEMENTS IN 2014/15					
	Original Budget	Approved Qtr 3 Budget	Further Budget Amendments	Final Budget	Original to Final Budget Movement
	£'m	£'m	£'m	£'m	£'m
Net Expenditure					
Fire Service	66.374	66.153	0.507	66.660	0.286
Corporate	0.591	0.553	-0.001	0.552	-0.039
	66.965	66.706	0.506	67.212	0.247
Interest on Balances	-0.372	-0.097	0.000	-0.097	0.275
Inflation Provision	0.843	0.324	-0.158	0.166	-0.677
Contribution (from) to Reserves	-3.080	-2.577	-0.348	-2.925	0.155
Total Expenditure	64.356	64.356	0.000	64.356	0.000
Funded By					
Government Grant	-40.519	-40.519	0.000	-40.519	0.000
Precept	-23.837	-23.837	0.000	-23.837	0.000
	-64.356	-64.356	0.000	-64.356	0.000

CAPITAL BUDGET MOVEMENTS IN 2014/15					
	Original Budget	Approved Qtr 3 Budget	Further Budget Amendments	Final Budget	Original to Final Budget Movement
	£'m	£'m	£'m	£'m	£'m
Total	10.038	11.659	0.103	11.762	1.724
Funding:					
Specific	5.856	7.405	-0.881	6.524	0.668
Borrowing	4.732	4.254	0.984	5.238	0.506
	10.588	11.659	0.103	11.762	1.174

Financial Performance in the Year**2014/15 Revenue Outturn Position:**

15. The table below summarises the actual revenue position for 2014/15 compared to that final budget, (**Appendix A** provides a more detailed analysis):

2014/15 REVENUE OUTTURN SUMMARY

SPEND ANALYSIS	Budget	Actual	Variance	Adjustment for Year-end Reserves	Adjusted Variance
	£'m	£'m	£'m	£'m	£'m
Fire & Corporate Services					
Employee	52.091	51.422	-0.669	1.151	0.482
Premises	3.333	3.054	-0.279	0.000	-0.279
Transport	1.635	1.484	-0.151	0.000	-0.151
Supplies & Services	4.158	3.426	-0.732	0.206	-0.526
Agency	4.883	4.735	-0.148	0.000	-0.148
Central Expenses / Capital	8.078	7.964	-0.114	0.000	-0.114
	74.178	72.085	-2.093	1.357	-0.736
Income	-6.966	-7.249	-0.283	0.154	-0.129
	67.212	64.836	-2.376	1.511	-0.865
Contingency for Pay & Prices	0.166	0.000	-0.166	0.000	-0.166
Interest Receivable	-0.097	-0.253	-0.156	0.000	-0.156
Net Cost of Services	67.281	64.583	-2.698	1.511	-1.187
Movement to/from Reserves	-2.925	-1.414	1.511	-1.511	0.000
Total Net Operating Spend	64.356	63.169	-1.187	0.000	-1.187

16. Overall the Authority underspent on its revenue services budget by £2.698m. However, £1.511m was as a result of timing issues for projects and grant funded schemes. Specific earmarked reserves have been created to cover the phasing of this expenditure. The net underspending of £1.187m is less than a 2% variance on the budget and reflects the continuing drive to maximise savings in the year in light of the financial challenge ahead.

17. The main variations were :

Employee Costs, £0.482m (0.9%) adverse variance. This was made up of a number of different variations –

Variation £'m	Explanation
-1.045	Effective Vacancy Management
0.413	Employee Insurance costs
-0.037	Other minor variances
	Year-end specific reserves;
0.340	Cost of Ill Health retirements (charged in year rather than spread over a longer period)
0.500	Employee Insurance costs – MMI levy
0.311	Various project reserves
<u>0.482</u>	

Overall main direct employee costs underspent by approximately £1.045m. A prudent additional provision was made for increased firefighters' pension costs arising from

future ill health retirement penalty charges and the reserve was increased by £0.340m. Details for the other major variances are provided below: –

- **Vacancy Management -£1.045m;** in light of the overall financial position vacant green book posts have not been actively filled resulting in a £0.178m saving. The FBU dispute over changes to the pension scheme resulted in a number of strike periods and a work to rule policy which meant a lack of take-up on the offer of additional hours. In addition Firefighter retirements are slightly ahead of target. After taking account of payments made to cover strike periods the overall saving on the firefighter employee costs was £0.867m.
- **Training Costs -£0.139m;** officers have been reviewing the training needs of staff throughout the year and the revised phasing of the training programme has resulted in a £0.059m saving. In addition £0.080m of USAR training, funded by grant income, needs to be carried forward into future years as the training will take place in 2015/16.
- **Employee Insurance, £0.413m;** an assessment of the potential liability of the Service's current outstanding claims indicated that if the service was deemed negligent it would require an increase in the existing provision of £0.413m. The Authority's claims section and insurers continue to challenge any claims received where appropriate.
- **Other minor variances, £0.033m,** as part of the voluntary staff reduction scheme some staff have been able to access their pension early resulting in a pension strain charge and a £0.076m overspend on pension costs. Although the Authority has established a severance reserve to meet such costs as the cost could be prudently contained within the overall revenue budget no draw down on the reserve has been made to meet this net overspend. Other minor variances make up the balance.
- **Year-end reserves - Employee Insurance costs, £0.500m;** Merseyside Fire & Rescue Authority was insured by Municipal Mutual Insurance (MMI) from 1974 until 1992. In September 1992 MMI ceased to write new, or to renew, general insurance business and a Scheme of Arrangement was put in place to achieve an orderly run-off of claims. Although it was anticipated that all claims would be concluded and the Scheme closed in 2003, this has not proved to be the case due to continuing claims being made for mesothelioma and abuse. It is now anticipated that the Scheme will close in 2050. Under the Scheme of Arrangement any potential deficit on the MMI accounts will be recovered on the basis of a "levy" based on the value of claims paid out for each authority who participated in the MMI initiative. Previously the levy had been set a 15% and the Authority has created a reserve to cover this, however guidance received at the end of 2014/15 indicates this levy could rise to 50%. To increase the MMI reserve to provide a 50% levy has required a £0.500m increase in the reserve.

Premises Costs, £0.279m (8.4%) favourable variance –

- Following successful business rating valuation appeals the service received one-off refunds on a number of historic business rate payments. This contributed to a £0.213m saving on the rates budget.
- Small underspends on other premises costs made up the balance.

Transport Costs, £0.151m (09.2%) favourable variance –

- A saving on diesel, £0.063m and £0.24m for a reduction in the cost of excess insurance payments for vehicles.
- The balance is made up from small savings on lease car rentals and vehicle replacement parts.

Supplies and Services, £0.526m (12.6% of budget) favourable variance–

Variation £'m	Explanation
-0.082	ICT and Computing supplies
-0.095	Operational, Fire Prevention and Training Supplies
-0.220	Professional fees / support
-0.335	Other minor variances
0.206	Year-end project reserves
-0.526	

- **ICT, Computing, Operational, Prevention and Training supplies, -£0.177m;** officers are continuing to strictly manage controllable expenditure lines in light of the financial challenge resulting in an overall underspend of £0.177m.
- **Professional fees, - £0.220m;** budget has been identified for specific projects that have now been re-phased into 2015/16 requiring £0.183m of this underspend to be carried forward as specific reserves. For example £0.100m has been earmarked to fund a joint initiative with the CFOA Road Safety Group and Highways England particularly around improving road safety for Light Goods Vehicles.
- **Other minor variances -£0.282m;** reflect a large number of small underspends in controllable budget lines such as administrative costs; travel & subsistence; subscriptions; and printing and stationery.

Agency Services, £0.148m (3.0%) favourable variance. deductions from the contractor for adverse performance responses at the PFI stations have resulted in a saving on the unitary charge payments of £0.143m.

Central Expenses £0.023m (6.0%) favourable variance; this is due to a saving on the financial systems contract.

Capital Financing, £0.091m (1.6%) favourable variance; robust management of the Authority's cashflow combined with the re-phasing of some capital schemes into future years meant that new borrowing was not required and resulted in a one-off saving on interest payments of £0.084m.

Income, £0.129m (1.9%) additional income above budget-
Secondment income was higher than budgeted

Inflation Provision, £0.166m favourable variance. In the first instance any inflationary increase in non-employee costs is expected to be contained within the relevant department's controllable budget before any request is made to cover rising costs from the inflation provision. This approach has delivered a saving on the inflation provision of £0.166m.

Interest and Investment Income, £0.156 favourable variance. Although global interest rates and hence the interest rate paid on investments has remained low (average rate of return achieved on average principal available in 2014/15 was 0.76%) the overall level of investments throughout the year was such that the service's investment income exceeded the budget by £0.156m.

Use of Underspending

It is proposed that the Authority should add the net £1.187m underspending to its capital investment reserve. The Authority has recognised that it has relatively high debt levels and that if possible it should seek to avoid borrowing for the station mergers project. It has therefore created a substantial capital investment reserve to support that aim.

2014/15 Movement on Reserves

18. The Authority receives grants and external funding during the year to deliver specific projects. Because these sometimes span more than one financial year, this necessitates the carrying forward of the funding through creation of earmarked reserves. Any potential liabilities arising in the year or previous years for which the Authority is required to set aside a contingency will also require the creation of a reserve. This report identifies a net increase in earmarked reserves (opening balance £23.317m to closing balance £23.984m) of £0.667m. Appendix A4 outlines the movement on reserves throughout the year, (*more details are available in the unaudited statement of accounts*). The table below sets out the specific year-end earmarked reserves created totalling £1.511m, this is in addition to the £1.187m increase in the capital investment reserve. .
19. In particular members will recall that they have previously noted the ongoing increase in road traffic accidents attended by the service. A specific provision is proposed to support improvements in prevention and response work in that area of £100k.

Year-End Requests for Earmarked Reserves		
	Year-End Request	Comments
<u>Earmarked Reserves</u>	£'000	
Insurance Reserve	500	To cover potential MMI levy increase from 15% to 50%
Pension Reserve	340	Provide contribution to FPS commutation review for 2001 - 2006
Equipment Reserve	133	Rephased SHQ JCC refurbishment from 14/15 and other items
CFOA Road Safety Reserve	100	Partnership working with CFOA and Highways England
Healthy Living / Olympic Legacy	73	Firefit initiatives carried over from 14/15
Other	80	Various small initiatives carried over from 14/15
<u>Ringfenced Reserves</u>		
F.R.E.E. Reserve	12	
Princes Trust Reserve	89	
Community Youth Team Reserve	4	
Beacon Peer Project Reserve	11	Externally Funded schemes - Grant carryforward into 2015/16
Innovation Fund Reserve	12	
St Helens District Reserve	4	
New Dimensions Reserve	153	
Total Earmarked Reserves	1,511	

20. The General Fund reserve balance remains at £2.000m.

Qtr 4 Bad Debt Write-Offs:

21. Debtor accounts under £5,000 may be written off by the DCE. Three accounts have been approved for write-off during the final quarter of the year under delegated powers totalling £1,032 (excl. VAT) following advice from the litigation service. Details of these accounts can be found in the table below;

Invoice Date	Invoice Number	Provision Bad Debt	Line Description	Write Off Reason	Amount To Be Written Off		
					VAT		
18/07/12	I0014373	YES	LIFT RELEASE	LITIGATION ADVICE	340.00	68.00	408.00
10/12/13	I0016085	NO	RELEASE FROM FLAT	LITIGATION ADVICE	344.00	68.80	412.80
20/10/14	I006970	NO	ENTRY TO FLAT	LITIGATION ADVICE	348.00	69.60	417.60
					1,032.00	206.40	1,238.40

2014/2015 Capital Expenditure

22. The Authority current capital budget for 2014/15 was £11.762m. Actual spending in the year was £7.850m, a net variation of £3.912m. The variance can be broken down into:
- A £3.836m re-phasing of planned spend from 2014/15 into 2015/16, requiring the carry forward of capital budget into 2015/16.
 - A net saving on capital projects of £0.076m

A summarised capital programme outturn position statement is outlined below:

Programme	Original Budget	Final Budget	Actual Expenditure	Year-end Re-phasing from 2013/14 into 2014/15	Variance after Re-Phasing Adjustment
	£'m	£'m	£'m	£'m	£'m
EXPENDITURE					
Building/Land	4.585	5.681	3.486	2.187	-0.008
Fire Safety	1.481	0.991	0.791	0.200	0.000
ICT	0.656	2.397	1.928	0.435	-0.034
Operational Equip & Hydrants	0.844	1.306	0.738	0.533	-0.035
Vehicles	2.472	1.387	0.907	0.481	0.001
TOTAL	10.038	11.762	7.850	3.836	-0.076
FINANCING					
Capital Receipts	1.300	0.250	0.244	0.000	-0.006
Revenue Contribution	0.780	1.097	1.097	0.000	0.000
Reserves	0.725	1.266	1.267	0.000	0.001
Grants	1.377	2.077	2.036	0.000	-0.041
External Contributions	0.000	1.833	1.333	0.500	0.000
Unsupported Borrowing	5.856	5.239	1.873	3.336	-0.030
TOTAL	10.038	11.762	7.850	3.836	-0.076

23. The year-end re-phasing of schemes into 2014/15 is outlined in the table below:

Re-phasing £'m	Scheme	Explanation
1.111	Joint Command AAND Control Project(JCC)	Work on the last phase of the project, Stage C works, went out to tender in 2014/15 and was awarded late in the year. The project was weeks behind schedule due to the delayed start and drainage problems encountered on site, a percentage of the contract value will also be kept for retention payments. Also £0.200m retention monies have been held back for the main scheme which is kept for 12 months after completion of works, until October 2015.
0.186	Vehicle Workshop enhancement works	Work on enhancing the Workshop and developing the SHQ Museum is currently being redesigned to ensure it reflects the current demands of the service which has delayed the start of the project.
0.790	Building enhancement and refurbishment work	This reflects a number of smaller value building scheme re-phasing that have arisen as staff have prioritised work on the station merger schemes development and the major building schemes.
0.200	Risk Management Residential Blocks	An agreement with Liverpool Mutual Homes to fit sprinklers into Marwood Towers has been agreed. Work has commenced on this development but works will not be concluded until mid-2016. This is the point at which funds will be released to part finance the install.
0.164	JCC / Airwave Solution	The scheme is in the final stages but some smaller elements of the project such as the specification for the Training Development Academy DA Vision Boss and Data Mobilisation modules was only recently finalised. This will be completed early in 2015/16 and the remaining stage payments will be made.
0.109	Financial Systems Replacement & TRM System	The replacement finance system has been delivered within the required timeframe. The implementation of the HR and TRM systems are now entering the final phase and are due for completion by early 2015/16.
0.163	ICT Schemes	Delay in the procurement of Hardware/Software as the Service seeks to gain savings by packaging the tender document in a way to deliver best VFM.
0.217	Breathing Apparatus (BA)	New BA sets have been purchased in 2014/15, but the new communication equipment compatible with the new BA sets will not be available until 2015/16.
0.069	Equipment	An order has been raised in 2014/15 for the equipment but delivery and payment will be in early 2015/16.

0.203	Appliances	4 Chassis have been purchased in 2014/15, the re-phasing is to cover the build of the appliances.
0.255	Ancillary Vehicles	Orders have been raised in late 2014/15 for vans and delivery is expected early in 2015/16. The purchase of 12 cars has been re-phased as the "pool car" requirement is being assessed.
0.369	Other	A number of small re-phasings on a variety of schemes.
3.836		

24. A full detailed breakdown of the 2014/15 capital budget movements, year-end variances and proposed slippage can be found attached to this report as Appendix B. A revised 2015/16 – 2019/20 capital programme to reflect the £3.736m re-phasing into 2015/16 can be found attached to this report as Appendix C.

Equality and Diversity Implications

25. Resources are invested to support equality and diversity.

Staff Implications

26. Approximately 80% of expenditure is directly staff related.

Legal Implications

27. The Accounts and Audit (England) Regulations 2015 give the responsibility for signing off the unaudited statement of accounts to the responsible finance officer, who in MFRA is the DCE. The DCE has signed the 2014/15 statement before the required deadline of 30th June 2015 and certified that they represent a true and fair view of the financial position of the Authority. A copy of the 2014/15 unaudited Statement of Accounts will be made available to members at today's Authority meeting. The Authority is still required to consider, approve and sign the statement of accounts for publication by 30th September 2015.

Financial Implications & Value for Money

28. Subject to members approving the proposed use of the £1.187m underspend on the revenue account to increase the capital investment reserve the final revenue position can be summarised as:

2014/15 Revenue Year-End Position			
	Budget	Actual	Variance
	£'m	£'m	£'m
Net Expenditure	64.356	61.658	-2.698
Year-end request for Earmarked Reserves		1.511	1.511
Utilisation of Year-end variance to increase the capital investment reserve		1.187	1.187
	64.356	64.356	0.000

29. The Authority has an approved strategy of building up reserves in anticipation of future funding cuts and the creation of year-end reserves is consistent with this strategy.

30. Capital spending was £7.850m resulting in a variance of £3.912m against the £11.762m budget for 2014/15. The variance can be broken down into:

- A £3.836m re-phasing of planned spend from 2014/15 into 2015/16, requiring the carry forward of capital budget into 2015/16.
- A net underspend and saving on capital projects of £0.076m.

31. The General Fund Balance as at 31 March 2015 was as anticipated, £2.000m.

Risk Management, Health & Safety, and Environmental Implications

32. None arising from this report.

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

33. The achievement of actual expenditure within the approved financial plan and delivery of the expected service outcomes is essential if the Service is to achieve the Authority's mission.

BACKGROUND PAPERS

CFO/011/14	"MFRA Budget and Financial Plan 2014/2015-2018/2019" Authority 27th February 2014.
CFO/097/14	"Financial Review 2014/15 April to June" Policy & Resources Committee 2nd September 2014.
CFO/113/14	"Financial Review 2014/15 April to September" " Policy & Resources Committee 27th November 2014.
CFO/005/15	"Financial Review 2014/15 – April to December Review" Authority 26th February 2015.

GLOSSARY OF TERMS

CAPITAL EXPENDITURE Section 40 of the Local Government and Housing Act 1989 defines 'expenditure for capital purposes'. This includes spending on the acquisition of assets either directly by the Authority or indirectly in the form of grants to other persons or bodies. Expenditure that does not fall within this definition must be charged to a revenue account.

RESERVES Amounts set aside to meet future contingencies but whose use does not affect the Authority's net expenditure in a given year. Appropriations to and from reserves may not be made directly from the revenue account.

REVENUE EXPENDITURE This is money spent on the day-to-day running costs of providing services. It is usually of a constantly recurring nature and produces no permanent asset.

SHQ Service Headquarters

JCC Joint Control Room development with Merseyside Police at the SHQ

MFRA	Merseyside Fire and Rescue Authority
DCE	Deputy Chief Executive
FBU	Fire Brigades Union
FPS	Firefighters' Pension Scheme(s)