

To: Cambridgeshire and Peterborough Fire Authority

From: Deputy Chief Executive Officer - Matthew Warren

Presenting officer(s): Deputy Chief Executive Officer - Matthew Warren
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Final Revenue and Capital Budget Position 2022-23

1. Purpose

- 1.1 The purpose of this report is to provide the Fire Authority with the final 2022/23 revenue and capital budget outturn position.

2. Recommendations

- 2.1 The Authority is asked to:
- note the revenue and capital budget outturn position,
 - approve the requested budget holder carry forwards.

3. Risk Assessment

- 3.1 Economic - the carry forwards and maintenance of adequate reserves will continue to be critical over the coming years to ensure that the Authority can respond to any future spending reviews whilst minimising the impact on service delivery.

4. Background

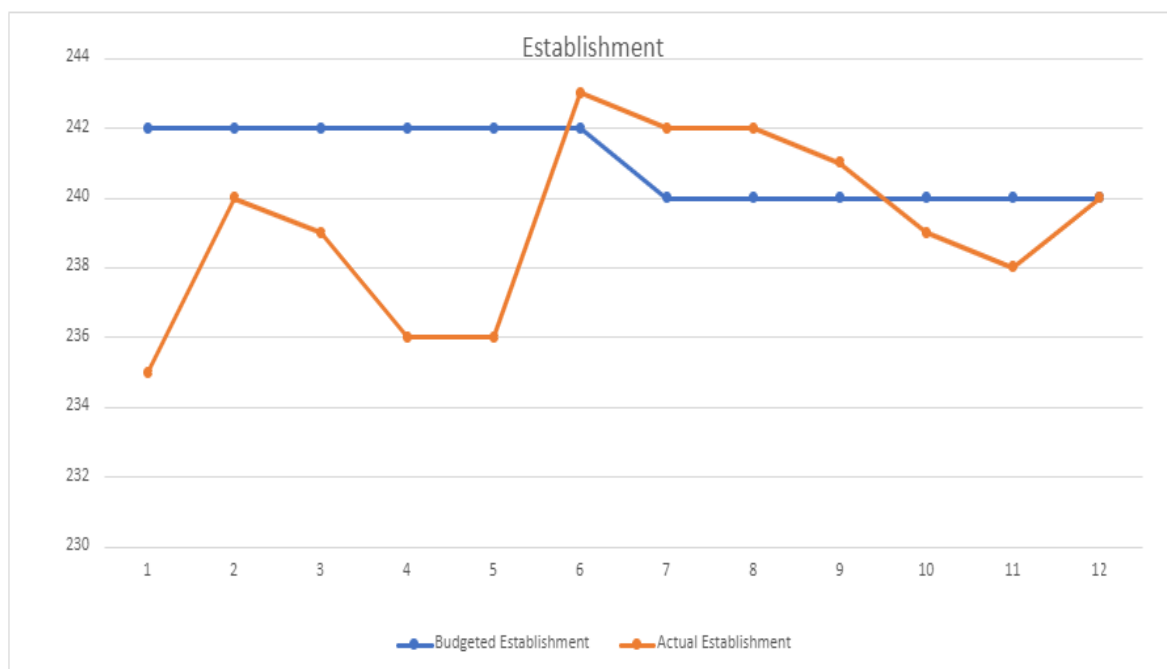
- 4.1 The budget for 2022/23 was approved at the Fire Authority meeting held in February 2022. The total budget was set at £31.226m with a total precept of £22.215m.
- 4.2 At its meeting in June 2022 the Authority approved a revenue carry forward of £1.676m. The carry forward included grant income of £0.641m. The revised revenue budget for the 2022/23 financial year was therefore £32.902m. Further adjustments have been made in respect of revised business rates income, savings on rateable values and additional income, making the final budget £33.066m.
- 4.3 The financial year 2022/23 was very challenging owing to a number of factors, including inflation, employee retention and uncertainty about pay awards along

with the possibility of industrial action. Throughout the year, the Service has monitored spend carefully with its budget holders to ensure that the position was well understood.

- 4.4 Overall, the Service has managed to balance the budget for the financial year. However the primary reasons that have enabled this position is that we received much higher than expected business rates income at the year-end and significant levels of professional staff turnover and delays in recruitment to these vacancies has resulted in a large underspend. The position reported has been included within the draft statement of accounts, that were published on the Authority's website on 31 May 2023.

5. Final Revenue Outturn Position

- 5.1 The budget for full-time firefighters was overspent at year-end by £352k because of the agreed pay award being higher than that budgeted. The Service continued to stringently monitor and manage overtime alongside robust modelling of future recruitment to ensure control over this budget whilst maintaining appropriate crewing levels.



- 5.2 The underspend against the budgets for other employee groups offset the overspend on firefighters pay. The underspend was a result of a significant increase in professional support staff turnover and subsequent delays in recruiting replacements into vacant positions. This has resulted in the Service having to prioritise objectives in year to ensure workloads are appropriately managed.
- 5.3 The premises budget overspent by £23k. The primary reason for this is the increased cost of energy.

- 5.4 Transport costs also overspent last financial year. The reasons for this were fuel inflation and additional servicing costs resulting from an aging fleet. It is hoped that fleet replacement will commence through 2023/24 as the vehicle supply chain stabilises post pandemic.
- 5.5 The supplies and services budget is underspent. However included within this budget is the ESMCP grant that will be carried forward. In addition to this specific grant, budget holders have requested that most of this underspend is carried forward to fund specific projects in the next 12 months.
- 5.6 The other grant budget has again seen significant changes during the 2022/23 financial year. These changes are primarily around the legacy grants applied throughout the pandemic for Business Rates. The Service is seeking clarity around the future of these grants and implications for future funding.

6. Results for the Year

- 6.1 The final outturn position on the revenue budget, before application of carry forwards, reflects the spending trend reported to the Policy and Resources Committee throughout the financial year. After applying these, the final position is an underspend of £35k. This underspend will be transferred to the General Reserve. A simple summary of the final outturn is shown below; further details, in normal budgetary control format, are set out in Appendix 1.

Budget Area	Under (-) / Over (+) £'000
Controllable expenditure/income	-1,651
Safety Netted Expenditure*	340
Capital Financing	-12
Contribution to Business Continuity Reserve	319
Additional Business Rate income	-639
ESMCP	647
Committed Revenue Expenditure (orders raised but not paid)	292
Delegated Budgets Carried Forward requests	697
Final Under(-)/Over spend from 2021/22	-7

- 6.2 The carry forwards requested (detailed breakdown attached at Appendix 2) are required for:

Funding Requirements	£'000
ESMCP (including coverage grant)	647
Staffing	110
Sustainability Initiatives	180
ICT and Digital Development	110
Community Fire Safety	25
Corporate Workwear	95
Local Resilience Forum	15

7. Balance Sheet and Reserves

7.1 Particular attention is drawn to the position relating to the Authority reserves that provide financial flexibility when dealing with unexpected circumstances. Specific reserves are set aside to provide for known or predicted liabilities.

7.2 A summary of movements in existing reserves is shown in the table below; the useable General Reserve is £2,140k.

	Note	Balance at 01/04/22	In year movement (-) funding out / funding in	Balance at 31/03/23
		£000	£000	£000
General Reserve	8.2	2,133	7	2,140
Property Development Reserve	8.3	5,764	-5,764	-
Financial Business Continuity Reserve	8.4	1,000	319	1,319
Tactical Reserve	8.5	300	-3	297
Wholetime Reserve		400	-	400
Pension Reserve		523	-	523
Total		10,120	-5,441	4,679

7.3 The Property Development Reserve was set aside to finance the costs of current and future refurbishment and development of the Authority estate. This fund was used to fund the new Huntingdon Community Fire and Rescue Station and Training Centre. Contributions will be made back into this reserve when the old Huntingdon site is sold.

7.4 The Financial Business Continuity Reserve has been increased using additional income from Business Rates. This reserve will be used to fund the additional pressure resulting from the agreed pay awards in the new financial year.

7.5 The Tactical Reserve was formerly the Community Safety Reserve. It is proposed that this reserve will be used by Heads of Group to fund specific projects and improvements across the Service. The award of funds will be subject to a business case.

8. Capital Programme

8.1 The final expenditure figures on the Capital Programme are detailed in the table below:

		Original Budget	Order Carry Forwards	Revised Estimate	Total Committed to Date	Actuals to Date
		£000's	£000's	£000's	£000's	£000's
Expenditure						
Vehicles	8.2	1,655	1,216	2,871	2,303	2,146
Land and Buildings	8.3	4,220	54	4,274	6,296	5,397
Equipment	8.4	269	169	438	416	341
IT and Communications	8.5	775	2	777	1,422	865
		6,919	1,441	8,360	10,437	8,749
Financing						
Capital Receipts		-543	0	-543	-849	-332
Loan/Borrowing		-3,019	0	-3,019	-1,651	-1,651
Application of Reserves		-3,000	-1441	-4,441	-6,934	-5,763
Revenue Contribution		-357	0	-357	-1,003	-1,003
		-10,477	-1,441	-8,360	-10,437	-8,749

8.2 This budget covers the purchase of operational and non-operational vehicles. The purchase of new vehicles is in line with the revised Fleet Strategy and Plan. It also considers the new sustainability strategy. The revised forecast provided for seven new fire appliances of which three were carried forward from the previous financial year. The Service has seen significant delays in replacing parts of its silver fleet with £226k of the carry forward budget relating to the prior year capital programme.

8.3 This budget covers the maintenance of existing properties and the remaining investment in the new Huntingdon site, which was funded from the Property Development Reserve.

8.4 The equipment expenditure budget relates to heavy rescue equipment, thermal cameras and defibrillators. The carry forward related to expenditure committed in the last financial year for new battery-operated cutting equipment that has now been purchased and rolled out.

8.5 The IT and Communications capital budget covers the purchase of major IT systems, hardware and the upgrade of communications equipment. The purchase and implementation of the new ICCS and Mobilisation system is included within this budget.

- 8.6 The outstanding capital schemes that were started and not finished will be completed in 2023/24 financial year. The funding that has not yet been applied to these schemes will be drawn down at the appropriate time, after consideration has been given to the current Treasury Management Strategy. A separate report, detailing adjustments, will be presented to the Policy and Resources Committee later in the financial year, providing an update on the detailed position.

Source Documents:

Final Accounts working papers

Location:

Hinchingbrooke Cottage
Brampton Road
Huntingdon

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Appendix 1

Category Desc	Paragraph	Original Budget	Virements	Revised Budget	Budget To Date	Actual To Date	Variance	Var %age
Grant/Precept Income		-£ 31,226,300	-£ 160,208	-£ 31,386,508	-£ 31,386,508	-£ 32,025,895	-£ 639,387	-2%
Carry Forwards		-	-£ 1,679,714	-£ 1,679,714	-£ 1,679,714	£ 275,686	£ 1,955,400	-116%
CONTRIBUTIONS		-£ 31,226,300	-£ 1,839,922	-£ 33,066,222	-£ 33,066,222	-£ 31,750,209	£ 1,316,013	4%
Full Time Firefighters		£ 13,156,160	£ 257,724	£ 13,413,884	£ 13,413,884	£ 13,766,356	£ 352,472	3%
Control Room Staff		£ 1,728,340	£ 11,293	£ 1,739,633	£ 1,739,633	£ 1,823,194	£ 83,561	5%
Local Govt. Employees		£ 3,467,743	-£ 53,524	£ 3,414,219	£ 3,414,219	£ 3,212,093	-£ 202,126	-6%
Senior Management (Hay)		£ 3,851,537	£ 358,970	£ 4,210,507	£ 4,210,507	£ 3,780,484	-£ 430,023	-10%
Recruitment & Training		£ 510,193	£ 130,157	£ 640,350	£ 640,350	£ 529,790	-£ 110,560	-17%
Fire Allowances		£ 682,720	£ 14,999	£ 697,719	£ 697,719	£ 723,069	£ 25,350	4%
EMPLOYEE COSTS	5.1 - 5.2	£ 23,396,693	£ 719,619	£ 24,116,312	£ 24,116,312	£ 23,834,986	-£ 281,326	-1%
Property Maintenance		£ 388,540	£ 46,681	£ 435,221	£ 435,221	£ 425,280	-£ 9,941	-2%
Insurance		£ 62,840	-	£ 62,840	£ 62,840	£ 52,073	-£ 10,767	-17%
Energy Costs		£ 358,710	£ 70,100	£ 428,810	£ 428,810	£ 472,092	£ 43,282	10%
Cleaning		£ 45,911	£ 2,676	£ 48,587	£ 48,587	£ 37,152	-£ 11,435	-24%
Rents & Rates		£ 714,020	-£ 56,291	£ 657,729	£ 657,729	£ 669,747	£ 12,018	2%
PREMISES	5.3	£ 1,570,021	£ 63,166	£ 1,633,187	£ 1,633,187	£ 1,656,345	£ 23,157	1%
Car & Cycle Allowances		£ 40,880	-£ 2,347	£ 38,533	£ 38,533	£ 36,569	-£ 1,964	-5%
Vehicle Running Expenses		£ 179,290	£ 688	£ 179,978	£ 179,978	£ 247,211	£ 67,233	37%
Vehicle Insurance		£ 172,260	-£ 14,640	£ 157,620	£ 157,620	£ 172,748	£ 15,128	10%
TRANSPORT AND MOVEABLE PLANT	5.4	£ 392,430	-£ 16,299	£ 376,131	£ 376,131	£ 456,529	£ 80,398	21%
Office Expenses		£ 317,281	-£ 11,674	£ 305,607	£ 305,607	£ 222,277	-£ 83,330	-27%
IT & Communications Equip.		£ 2,130,582	£ 238,159	£ 2,368,741	£ 2,368,741	£ 1,955,492	-£ 413,249	-17%
Fire Equipment		£ 266,700	£ 57,513	£ 324,213	£ 324,213	£ 375,046	£ 50,833	16%
Uniforms & Clothing		£ 390,720	£ 112,005	£ 502,725	£ 502,725	£ 356,933	-£ 145,792	-29%
Other Supplies & Services		£ 1,454,100	£ 403,487	£ 1,857,587	£ 1,857,587	£ 1,414,806	-£ 442,781	-24%
SUPPLIES AND SERVICES	5.5	£ 4,559,383	£ 799,490	£ 5,358,873	£ 5,358,873	£ 4,324,554	-£ 1,034,319	-19%
CONTROLLABLE EXPENDITURE		£ 29,918,527	£ 1,565,976	£ 31,484,503	£ 31,484,503	£ 30,272,413	-£ 1,212,090	
Other Income		-£ 1,473,197	-£ 244,039	-£ 1,717,236	-£ 1,717,236	-£ 1,706,609	£ 10,627	1%
Other Government Grants		-£ 1,963,039	-£ 297,494	-£ 2,260,533	-£ 2,260,533	-£ 2,710,517	-£ 449,984	-20%
CONTROLLABLE INCOME	5.6	-£ 3,436,236	-£ 541,533	-£ 3,977,769	-£ 3,977,769	-£ 4,417,126	-£ 439,357	-11%
NET CONTROLLABLE EXPENDITURE		£ 26,482,291	£ 1,024,443	£ 27,506,734	£ 27,506,734	£ 25,855,287	-£ 1,651,447	-6%
Debt Charges		£ 770,579	£ 606,872	£ 1,377,451	£ 1,377,451	£ 1,451,773	£ 74,322	5%
External Interest		-£ 90,000	-	-£ 90,000	-£ 90,000	-£ 175,896	-£ 85,896	-95%
CAPITAL FINANCING		£ 680,579	£ 606,872	£ 1,287,451	£ 1,287,451	£ 1,275,878	-£ 11,573	-1%
Pensions - Lump Sums		£ 766,140	-	£ 766,140	£ 766,140	£ 863,002	£ 96,862	13%
Operational Fire Budget		£ 3,297,290	£ 208,607	£ 3,505,897	£ 3,505,897	£ 3,748,991	£ 243,094	7%
SAFETY-NETTED EXPENDITURE		£ 4,063,430	£ 208,607	£ 4,272,037	£ 4,272,037	£ 4,611,993	£ 339,956	8%
NET EXPENDITURE		£ 31,226,300	£ 1,839,922	£ 33,066,222	£ 33,066,222	£ 31,743,158	-£ 1,323,064	-4%
Grand Totals		-	-	-	-	-£ 7,051	-£ 7,051	

1	ACFO	Community Fire Safety	Paul Clarke/Odette Tattersall	FireBreak Course (ringfenced expenditure)	£4,887	Revenue
2	ACFO	CPLRF	Jane Ashwell	CPLRF (ringfenced expenditure)	£5,346	Revenue
3	ACFO	Control	Clare Smith	Internal verification course	£2,000	Revenue
4	ACFO	Control	Clare Smith	Projector and screen for Dogsthorpe	£2,000	Revenue
5	ACFO	Community Fire Safety	Rob Olivier	Smoke alarms	£25,000	Revenue
6	ACFO	Community Fire Safety	Rob Olivier	Community safety staff	£38,760	Revenue
7	ACFO	Community Fire Safety	Rob Olivier	Ultraguard misting units	£2,400	Revenue
8	ACFO	Resilience	Ed Miller	Personal protective equipment provision for high volume pump operators	£15,000	Revenue
9	ACFO	Resilience	Ed Miller	Continuous professional development for Resilience Team	£8,000	Revenue

1	DCEO	Business Performance	Nicola Smith	Training for new staff	£4,270	Revenue
2	DCEO	Application Support Group	Dave Reeson	CFRMIS move to Cloud	£15,000	Revenue
3	DCEO	Occupational Health	John Fagg	Replacement fitness equipment	£4,615	Revenue
4	DCEO	Business Development and Risk	Tamsin Mirfin	ESMCP Funding	£641,624	Revenue
5	DCEO	Business Development and Risk	Tamsin Mirfin	ESMCP Funding (travel and subsistence)	£5,248	Revenue
6	DCEO	ICT	John Fagg	Iphone replacement programme	£60,000	Revenue
7	DCEO	Media	Hayley Douglas	Ringfenced local resilience forum work	£5,000	Revenue
8	DCEO	Media	Hayley Douglas	Staff costs	£25,000	Revenue
9	DCEO	Finance	Ursula Bird	Scrap cars	£45,000	Revenue

10	DCEO	Finance	Ursula Bird	Delayed bulk clothing order	£95,000	Revenue
11	DCEO	Business Development and Risk	Tamsin Mirfin	Digital Development (STEP)	£50,000	Revenue
12	DCEO	Finance	Ursula Bird	Carbon reduction programme	£180,000	Revenue
13	DCEO	Finance	Matthew Warren	Performance related pay	£110,000	Revenue