

To: Policy and Resources Committee

From: Deputy Chief Executive Officer (DCEO) - Matthew Warren

Presenting officer(s): Deputy Chief Executive Officer - Matthew Warren

Telephone 01480 444619
matthew.warren@cambsfire.gov.uk

Date: 15 July 2021

Revenue and Capital Budget Monitoring Report 2021-22

1. Purpose

- 1.1 The purpose of this report is to provide the Policy and Resources Committee with an update on revenue and capital spending as at 30 June 2021.

2. Recommendation

- 2.1 The Committee is asked to note the position on revenue and capital spending.

3. Risk Assessment

- 3.1 No specific risks are associated with this report.

4. Background

- 4.1 The budget for 2021/22 was approved at the Fire Authority meeting held in February 2021. The total budget was set at £30.682m with a total precept of £21.4m. The proposed budget did not include any pay award inflation in accordance with Government guidance at the time of preparation. The impact of a 1% pay award on the budget is a pressure of £250k.
- 4.2 At its meeting in June 2021 the Authority approved a revenue carry forward of £1.411m. The carry forward included grant income of £0.354m. The revised revenue budget for the 2021/22 financial year is therefore £32.09m. The carry forwards are yet to be applied to the budget.
- 4.3 A budgetary control summary showing the main variations to the end of June 2021 is attached at Appendix 1. The carry forwards highlighted in Paragraph 4.2 above have been incorporated into the current year budgets.

5. Update – Revenue Expenditure

- 5.1 The budget for full-time firefighters is showing an overspend at present. In addition to this overspend, a pay award has been agreed with the Fire Brigades Union

(FBU) of 1.5%. This will be applied in July 2021 and will add further pressure. The budget is being closely monitored and this trend of overspending is expected to level off as we move through the financial year. The spend to date includes expenditure on overtime that relates to operational training on the new turntable ladders which are now operational. The Service will need to manage future recruitment to ensure control is exercised over this budget whilst maintaining crewing levels at an appropriate level. In the short-term, the remaining operational reserve will be used this financial year to fund the overspend.

- 5.2 The budgets for other employee groups are balanced to the end of the first quarter of the financial year. However it is worth highlighting that the budget, as shown, does not include any allowance for a pay award. It is forecast that a pay award will now be paid that is contrary to the original Government advice given in the autumn of 2020.
- 5.3 The premises budget is currently underspent by £155k. The business rates for the Service have been subject to a full review and have been reduced as a result. The on-going savings will be £50k per annum, with the Service due a significant retrospective refund. Energy costs and insurance premiums will be incurred throughout the financial year, so these underspends will reduce.
- 5.4 The significant underspend relates to vehicle insurance which will be incurred later in the financial year.
- 5.5 The supplies and services budget is showing an underspend. This is owing to the expenditure against specific ICT contracts that tend to be incurred later in the financial year. This underspend will reduce but will be monitored closely.
- 5.6 The operational fire budget relates to On-Call firefighter expenditure. This expenditure fluctuates according to demand and will be monitored through the financial year.

6. Update - Capital Expenditure and Financing

- 6.1 The revised capital programme, together with spending to date, is shown in the table below:

Capital Expenditure	Budget	Prior Year Commitment	Total Commitment
	£'000	£'000	£'000
Vehicle Replacement Programme	2,258	107	2,365
Equipment	272	106	378
Property and Land	7,172	929	8,101
IT and Communications	775	757	1,532
Total	10,477	1,899	12,376

- 6.2 This budget covers the purchase of operational and non-operational vehicles. The Service is currently reviewing its fleet and the outcome of this review will be presented to the Authority later this financial year.
- 6.3 This budget covers the maintenance of existing properties and investment in new facilities. The Huntingdon fire station and training centre project is a significant part of this budget and is being funded from the Property Development Reserve.
- 6.4 The equipment expenditure relates to heavy duty rescue equipment, thermal cameras and defibrillators.
- 6.5 The IT and Communications capital budget covers the purchase of major IT systems, hardware and the upgrade of communications equipment.

Bibliography

Source Document: Revenue and Capital Budget 2021-22

Location: Hinchingsbrooke Cottage, Brampton Road, Huntingdon PE29 2NA

Contact: Deb Thompson, Scrutiny and Assurance Manager
deb.thompson@cambsfire.gov.uk