

TO: Cambridgeshire and Peterborough Fire Authority

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

PRESENTING OFFICER(S): Deputy Chief Executive Officer - Matthew Warren

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REVENUE AND CAPITAL BUDGET MONITORING REPORT 2020/21

1. Purpose

- 1.1 The purpose of this report is to provide the Fire Authority with an update on revenue and capital spending as at 31 December 2020.

2. Recommendation

- 2.1 The Authority 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 2020/21 was approved at the Fire Authority meeting held in February 2020. The total budget was set at £30.419m with a total precept of £20.908m.
- 4.2 At its meeting in June 2020 the Authority approved a revenue carry forward of £1.281m. The carry forward included grant income of £0.561m. The revised revenue budget for the 2020/21 financial year was therefore £31.700m.
- 4.3 A budgetary control summary showing the main variations to the end of June 2020 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 will be closely monitored through this financial year. An operational reserve continues to be maintained by the Authority to enable the Service to manage fluctuations in firefighter numbers by funding recruitment ahead of known departures. The Service undertook a recruitment campaign in 2020 and appointed 32 new firefighters; 16 of these started within the last financial year and the remaining 16 started in September 2020. These recruits should

ensure adequate crewing levels are maintained through to the end of 2021. The exact timing of departures will determine how much of the operational reserve is used at the end of the financial year. In addition to the overspend against wholtime firefighters, allowances paid to flexible duty officers and expenditure against control room employees are also overspent. This overspend relates to providing cover on the operational rota and within our control room for sickness. This will also be financed from the operational reserve at year-end. An analysis will be undertaken of the wider organisational position at year-end before a decision is taken on the precise amount that will be used from this reserve. The Service will also consider the anticipated turnover of wholtime employees and potential recruitment profile in understanding how to utilise this reserve.

- 5.2 The overspend against the senior management pay relates primarily to the re-categorisation from local government to the senior management. This is a direct result of the revised pay structures introduced this financial year in response to the recommendations made as part of the Service's last equal pay audit. At present, the underspend across the two categories is £106k. The transfer of budget between these budget headings will be processed as part of the 2021/2022 budget preparation process.
- 5.3 The premises budget is currently underspent by £152k. The full impact of COVID-19 on our premises costs will become clear at year-end. As the Service progresses through recovery other areas of expenditure may be highlighted. Proposals will be brought to the attention of the Authority as they become known and understood.
- 5.4 The transport costs are underspent by £56k. The major part of this underspend relates to fuel savings from BP providing fuel for the initial part of the financial year. This underspend is expected to increase as BP have announced that the free fuel scheme is to be re-instated for emergency service vehicles until the end of March 2021.
- 5.5 The supplies and services budget is showing an underspend to the end of December 2020. This is owing to the expenditure against specific ICT contracts being lower than that forecast. The Service has been successful at letting a number of new contracts that have actually been at a lower cost. This budget heading also includes COVID-19 expenditure on items of personal protective equipment. The Service received a grant to fund this expenditure and continues to have funds outstanding from partners for items purchased on their behalf.
- 5.6 The impact of COVID-19 on council tax and business rate collection is beginning to be understood. The collection estimates range from 5% reductions in council tax to possibly 20% in business rates. We are working with collecting authorities to understand the position and further information will be presented to the Authority later in the financial year. At that time, there may also be a better understanding of the Government's position with regard to loss of funding.

6. Update - Capital Expenditure and Financing

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

		Original Budget	Adjustments	Revised Estimate	Total Committed to Date
		£000's	£000's	£000's	£000's
Expenditure					
Vehicles	6.2	1,250	1,767	3,017	1,636
Land & Buildings	6.3	1,220	663	1,883	2,030
Equipment	6.4	209	106	315	20
IT and Communications	6.5	775	619	1,394	46
		3,454	3,155	6,609	3,732
Financing					
Capital Receipts		-233	-262	-495	0
Loan		-1,616	-2,088	-3,704	0
Application of General Reserve		-881	-715	-1,596	-2,918
Revenue Contribution		-724	-90	-814	-814
		-3,454	-3,155	-6,609	-3,732

- 6.2 This budget covers the purchase of operational and non operational vehicles. The adjustment relates largely to carried forward funding relating to the delayed order of the two new aerial appliances and supplier delay in accepting orders for new vehicles. These appliances are now in service and will be fully operational by the end of the financial year.
- 6.3 This budget covers the maintenance of existing properties and investment in new facilities. The adjustment relates to carry forwards from last year of funds provided to enhance the training facilities for Ely and refurbishment of the station at Wisbech. The Huntingdon training project will form part of this budget and will be highlighted separately once planning is awarded and final cost quotations are received. This project 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. The adjustment relates to agreed carry forwards from last year's budget to fund the upgrade to our infrastructure, including Wi-Fi coverage across the Service.

Source Document	Location	Contact Officer
Revenue and Capital Budget Position 2020/21	Hinchingsbrooke Cottage Brampton Road Huntingdon PE29 2NA	Deb Thompson Scrutiny and Assurance Manager deb.thompson@cambsfire.gov.uk

Appendix 1

Budgetary Control Report to end of December 2020

Category Desc	Paragraph Reference	Revised Budget	Budget To Date	Actual To Date	Variance	Variance %
Full Time Firefighters	5.1	£ 12,851,880	£ 9,578,176	£ 10,026,451	£ 448,275	5%
Control Room Staff	5.1	£ 1,641,030	£ 1,220,768	£ 1,238,171	£ 17,403	1%
Local Govt. Employees	5.2	£ 3,958,834	£ 3,056,344	£ 2,685,539	-£ 370,805	-12%
Senior Management (Hay)	5.2	£ 2,963,170	£ 2,222,394	£ 2,487,281	£ 264,887	12%
Recruitment & Training		£ 699,045	£ 524,189	£ 449,962	-£ 74,227	-14%
Fire Allowances	5.1	£ 643,811	£ 503,651	£ 581,731	£ 78,080	16%
EMPLOYEE COSTS		£ 22,757,770	£ 17,105,522	£ 17,469,135	£ 363,613	2%
Property Maintenance		£ 412,702	£ 309,940	£ 231,997	-£ 77,943	-25%
Insurance		£ 65,350	£ 65,350	£ 59,165	-£ 6,185	-9%
Energy Costs		£ 319,780	£ 213,260	£ 167,915	-£ 45,345	-21%
Cleaning		£ 167,460	£ 114,833	£ 91,792	-£ 23,041	-20%
Rents & Rates		£ 728,660	£ 728,660	£ 729,405	£ 745	0%
PREMISES	5.3	£ 1,693,952	£ 1,432,043	£ 1,280,276	-£ 151,767	-11%
Car & Cycle Allowances		£ 69,144	£ 51,845	£ 47,195	-£ 4,650	-9%
Vehicle Running Expenses		£ 172,978	£ 129,893	£ 99,321	-£ 30,572	-24%
Vehicle Insurance		£ 161,690	£ 153,460	£ 132,935	-£ 20,525	-13%
TRANSPORT AND MOVEABLE PLANT	5.4	£ 403,812	£ 335,198	£ 279,450	-£ 55,748	-17%
Office Expenses		£ 319,691	£ 239,051	£ 157,069	-£ 81,982	-34%
IT & Communications Equip.		£ 2,056,155	£ 1,679,016	£ 1,224,726	-£ 454,290	-27%
Fire Equipment		£ 272,714	£ 189,953	£ 158,585	-£ 31,368	-17%
Uniforms & Clothing		£ 393,907	£ 296,852	£ 190,172	-£ 106,680	-36%
Other Supplies & Services		£ 1,325,179	£ 877,232	£ 1,206,403	£ 329,171	38%
SUPPLIES AND SERVICES	5.5	£ 4,367,646	£ 3,282,104	£ 2,936,956	-£ 345,148	-11%
CONTROLLABLE EXPENDITURE		£ 29,223,180	£ 22,154,867	£ 21,965,817	-£ 189,050	-1%
Other Income		-£ 1,350,800	-£ 736,111	-£ 1,386,311	-£ 650,200	-88%
Other Government Grants		-£ 1,538,510	-£ 1,153,881	-£ 1,075,958	£ 77,923	7%
CONTROLLABLE INCOME		-£ 2,889,310	-£ 1,889,992	-£ 2,462,269	-£ 572,277	-30%
NET CONTROLLABLE EXPENDITURE		£ 26,333,870	£ 20,264,875	£ 19,503,548	-£ 761,327	-4%
Debt Charges		£ 1,619,420	£ 87,897	£ 54,852	-£ 33,045	-38%
External Interest		-£ 90,000	-£ 38,979	-£ 31,313	£ 7,666	20%
CAPITAL FINANCING		£ 1,529,420	£ 48,918	£ 23,539	-£ 25,379	0%
Pensions - Lump Sums		£ 645,850	£ 484,386	£ 476,120	-£ 8,266	-2%
Operational Fire Budget		£ 3,192,350	£ 2,328,947	£ 2,338,541	£ 9,594	0%
SAFETY-NETTED EXPENDITURE		£ 3,838,200	£ 2,813,333	£ 2,814,661	£ 1,328	0%
NET EXPENDITURE		£ 31,701,490	£ 23,552,126	£ 22,341,747	-£ 785,379	-5%