

**TO:** Policy and Resources Committee

**FROM:** Assistant Director Finance/S151 Officer – Ursula Bird

**PRESENTING OFFICER(S):** Assistant Director Finance/S151 Officer – Ursula Bird

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## REVENUE AND CAPITAL BUDGET MONITORING REPORT 2025/26

### 1. Purpose

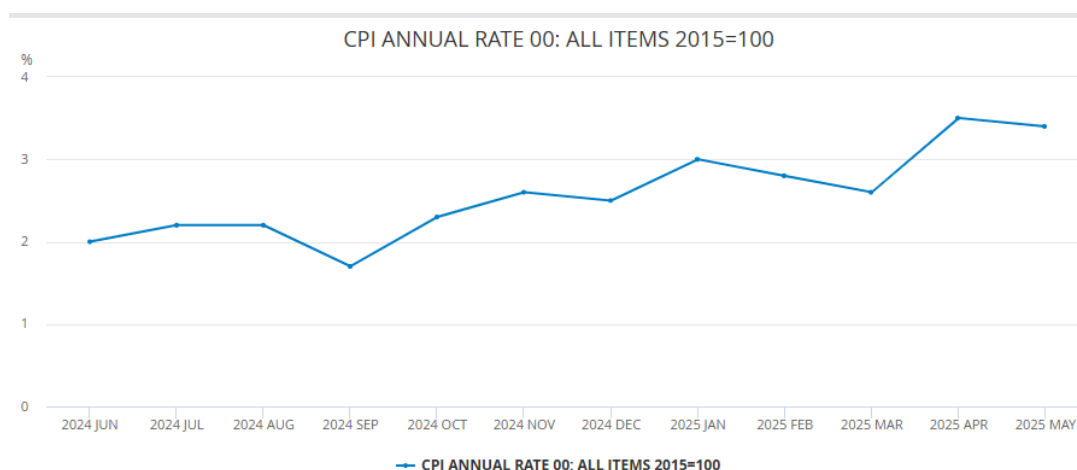
- 1.1 The purpose of this report is to provide the Policy and Resources Committee with an update on revenue and capital spending for 2025/26. This report covers the period 1 April to 31 May 2025.

### 2. Recommendation

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

### 3. Risk Assessment

- 3.1 **Economic** – in the last 12 months, inflation (Consumer Price Index) has continued to increase steadily, being 2% in June 2024, 2.6% in November 2024, 3% in January 2025, and 3.4% in May 2025.



Source=Office for National Statistics

The Service has accounted, on average, for 2% inflation in the 2025/26 budget. The annual inflationary pay increase for 2025/26, negotiated at national level was recently agreed at 3.2%.

We have received an additional £443,000 Section 31 grant funding which was notified to us May 2025 and therefore was not included in the budget; this will be used to cover the pay gap. We also have our general reserve and business continuity reserve which we can use should we need to alleviate any budgetary strain due to inflation.

#### **4. Background**

- 4.1 The budget for 2025/26 was approved at the Fire Authority meeting held in February 2025 (Minute 144 refers). The total budget was set at £40.720m with a total precept of £27.083m.
- 4.2 Any revenue carry forward is pending approval from this meeting and is outlined in the Final Revenue Outturn report. The proposal is £0.491m, in addition to the orders carried forward of £0.259m, making a potential revised budget of £41.470m.
- 4.3 A budgetary control summary showing the main variations to 31 May 2025 is attached at Appendix 1. The carry forwards mentioned in Paragraph 4.2 above have not yet been incorporated into the current year budgets.

#### **5. Update – Revenue Expenditure**

- 5.1 The budget for full-time firefighters shows a small overspend in these first two months; this is due to budget timing as some annual payments have been made but were budgeted for in July.
- 5.2 The operational On-Call firefighter expenditure is currently slightly underspent. The underspend is because not all firefighters are in the pension scheme. New pay bandings were agreed as part of the Grey Book pay award last year and came into effect in January 2025.
- 5.3 The control pay shows a large overspend but this relates to payments made in relation to 2024/25 as well as temporary over-establishment due to Suffolk Fire and Rescue Service's departure having been pushed back to 24 June 2025. These values are included in the carried forwards which are yet to be processed.
- 5.4 The overspend in operational support relates to payments made in 2024/25, these are included in the carried forwards.
- 5.5 The underspend in support management and administration is due to unfilled vacancies.
- 5.6 Other employee costs cover a large range of employee supplies and services; the underspends relate to timings as well as some elements being reactive services such as occupational health.
- 5.7 The overspend relates to the business rates on the former Huntingdon site as the completion of the sale is still pending. We will use some of the additional grant funding to cover this.
- 5.8 Plant and vehicle costs show an overspend. There has been a bulk buy of some equipment which will be held in store and used throughout the year. Within fleet

maintenance are workshop tools and this is where £28,000 of purchase card transactions are pending processing; much of this will be aligned to travel and subsistence.

- 5.9 The supplies and services budgets are showing an overspend. Much of this is budgetary timing and includes a bulk buy of some community safety equipment which will be held in store and used throughout the year.
- 5.10 The other income is slightly above budget, which again, is due to timings.

## **6. Update - Capital Expenditure and Financing**

- 6.1 The capital programme, together with spending to date, is shown in the table contained within Appendix 2.
- 6.2 This budget covers the purchase of operational and non-operational vehicles. The purchase of new vehicles is in line with the revised fleet and sustainability strategies. Activity this financial year includes the purchase of electric and hybrid cars and new fire appliances.
- 6.3 This property budget covers the enhancement and refurbishment of existing properties across the entire estate with a focus on sustainability, addressing how to deal with contaminants and factors highlighted in condition surveys. The largest project for 2024/25 and going into 2025/26 is the refurbishment of St Neots fire station. St Ives fire station also features in our 2025/26 programme, and we have a project team currently reviewing the details of this.
- 6.4 The IT and communications capital budget covers the purchase of major IT systems, hardware and the upgrade of communications equipment, as well as upgrading some key software.
- 6.5 The equipment expenditure relates to rescue equipment, positive pressure ventilation (PPV) fans, thermal cameras and breathing apparatus washing machines. The respective department is still reviewing options for treating contaminants.
- 6.6 The Authority carries a debt of £5.7m, although there has been no increase in borrowings since June 2021. The Authority is holding £11.6m on deposit, with an increase in outgoing payments expected from October onwards, therefore these funds are held in short term investments. A summary table of this position is shown in Appendix 3.

## BIBLIOGRAPHY

Source Documents	Location	Contact Officer
Fire Authority Reports and Minutes – various  Revenue and Capital Budget Position 2025/26	Hinchingsbrooke Cottage Brampton Road Huntingdon	Ursula Bird Assistant Director Finance/S151 Officer 07900 267912 ursula.bird@cambsfire.gov.uk

Description	Paragraph	Revised Budget	Budget To Date	Actual To Date	Variance
		£'000	£'000	£'000	£'000
<b>EMPLOYEE EXPENDITURE</b>					
Operational Wholetime	5.1	17,463	2,894	2,911	18
Operational On-Call	5.2	4,249	750	744	(6)
Operational Control	5.3	1,852	304	423	119
Operational Other	5.1	940	157	158	1
Support Mechanics	5.4	320	53	55	1
Support Caretakers/Handymen		238	40	38	(2)
Operational Support Other (fleet&equipment,hydants, property, occhealth,H&S, RMU,training,community safety,protection&resilience)	5.4	2,396	411	430	19
Support Mgt & Admin	5.5	6,110	993	985	(8)
Other Employee Costs - PPE&Clothing	5.6	385	64	27	(37)
Other Employee Costs - Health&Safety/Occupational Health	5.6	248	44	15	(29)
Other Employee Costs - Training costs	5.6	538	58	54	(4)
Other Employee Costs - Fire Authority expenses, Peterborough Voluntary FB, Insurance	5.6	389	69	65	(5)
Other Employee Costs - recruitment costs, travel, other	5.6	137	18	14	(3)
		<b>33,570</b>	<b>5,602</b>	<b>5,745</b>	<b>65</b>
<b>PREMISES EXPENDITURE</b>					
Insurance		51	7	7	(0)
Utilities - Gas, Electric, Water, Oil		511	60	57	(3)
Cleaning & Waste Management		33	5	9	4
Business Rates		950	950	1,009	59
Property maintenance (inc. service charges)		586	94	68	(26)
Other - rents, offices furniture & consumables, TV licenses)		67	36	34	(2)
	<b>5.7</b>	<b>2,197</b>	<b>1,153</b>	<b>1,184</b>	<b>30</b>
<b>TRANSPORT AND PLANT EXPENDITURE</b>					
New Operational Equipment & Consumables		101	17	52	35
BA, Operational Equipment Maintenance & Repairs		230	29	23	(6)
Fleet Fuel		358	31	29	(2)
Fleet Maintenance (inc. Tax & MOTs & workshop tools)		321	45	72	26
Fleet Insurance		145	24	23	(2)
	<b>5.8</b>	<b>1,156</b>	<b>146</b>	<b>198</b>	<b>52</b>

Description	Paragraph	Revised	Budget	Actual	Variance
		£'000	£'000	£'000	£'000
<b>SUPPLIES AND SERVICES EXPENDITURE</b>					
Finance charges, Audits, Other insurance, Pension admin fees		314	131	117	(14)
Community Safety, Fire Protection & Prevention, Hydrants		129	13	34	21
Hired support, Consultancy & Professional Fees		514	282	285	3
Cross Border Activity Costs		91	0	0	0
Project Programme Costs		61	10	0	(10)
IT hardware and software, inc. maintenance (non-capital)		1,510	487	513	27
Postage, Printing & Copier expenses		74	11	5	(6)
Telecommunications, Airwaves, Mobilising equipment		1,267	156	158	2
Subscriptions		90	18	23	6
Other		40	2	9	7
	<b>5.9</b>	<b>4,090</b>	<b>1,109</b>	<b>1,145</b>	<b>36</b>
<b>CONTROLLABLE EXPENDITURE</b>					
		<b>41,014</b>	<b>8,010</b>	<b>8,271</b>	<b>183</b>
<b>Other Income</b>					
Secondments Income		0	0	0	0
Shared Services & Contributions (Fire Services)		(596)	(90)	(15)	75
Other Services Income		(165)	(18)	(115)	(97)
Non-NNDR Government Grants		(1,427)	(43)	(43)	1
	<b>5.10</b>	<b>(2,188)</b>	<b>(151)</b>	<b>(172)</b>	<b>(21)</b>
<b>NET CONTROLLABLE EXPENDITURE</b>					
		<b>38,826</b>	<b>7,858</b>	<b>8,099</b>	<b>162</b>

<b>Capital Resources Summary</b>							
Capital Expenditure/Funding Type	Para	Original Budget	Carry forwards	Revised Budget	Actual		
					Expenditure	Committed	
Vehicles	6.2	£ 1,701,510	£ 649,160	£ 2,350,670	£ 155,702	£ 541,053	
Property	6.3	£ 1,948,200	£ 580,000	£ 2,528,200	£ 1,341,099	£ 544,207	
ICT	6.4	£ 416,670	£ 244,800	£ 661,470	£ -	£ -	
Equipment	6.5	£ 277,960	£ 88,000	£ 365,960	£ -	£ -	
<b>Total</b>		<b>£ 4,344,340</b>	<b>£ 1,561,960</b>	<b>£ 5,906,300</b>	<b>£ 1,496,801</b>	<b>£ 1,085,260</b>	
Capital Receipts Reserve		£ 218,000	£ 2,300,000	£ 2,518,000		£ -	
Loan/Borrowing		£ 2,726,340	-£ 161,250	£ 1,865,090	£ 1,496,801	£ 1,085,260	
Application of reserves		£ 1,400,000	-£ 576,790	£ 823,210			
Revenue Contribution				£ -			
Capital Grant				£ 700,000			
		<b>£ 4,344,340</b>	<b>£ 1,561,960</b>	<b>£ 5,906,300</b>	<b>£ 1,496,801</b>	<b>£ 1,085,260</b>	

<b>Deposits and Borrowing Summary</b>							
	Start	End	Amount	%	Days	Interest	
<b>Fixed Term Deposits</b>							
Standard Chartered - Sustainable Deposit	22/11/2024	21/11/2025	£1,000,000.00	4.65	364	£46,372.60	
SMBC Bank international Plc	24/04/2025	24/07/2025	£2,000,000.00	4.4	91	£21,939.73	
Lloyds Bank Corporate Markets (NRFB)	24/04/2025	24/07/2025	£1,000,000.00	4.34	91	£10,820.27	
Lloyds Bank - Direct Investment	27/05/2025	27/08/2025	£1,000,000.00	4.2	92	£10,586.30	
SMBC Bank international Plc	23/05/2025	24/11/2025	£1,000,000.00	4.32	185	£21,895.89	
			<b>£6,000,000.00</b>				
<b>Call account</b>							
Bank of Scotland	current account		£ -	2%			
Santander (instant access)			£ 200.78	2.63%			
Bank of Scotland	0 Day treasury call account		£ 3,068,601.03	4.62%			
			<b>£ 3,068,801.81</b>				
Barclays Deposit			£ 2,503,696.67	3.75%			
<b>Total Deposits</b>			<b>£ 11,572,498.48</b>				
<b>Borrowings</b>							
PWLB	08/03/2007	08/03/2053	£1,700,000	4.25%			
PWLB	01/08/2007	01/08/2053	£1,500,000	4.55%			
PWLB	15/06/2021	14/06/2071	£2,500,000	1.89%			
<b>Total Borrowings</b>			<b>£5,700,000</b>				
<b>Net investments/(borrowings)</b>			<b>£5,872,498</b>				