

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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Date: 20 June 2024

Final Revenue and Capital Budget position 2023-24

1. Purpose

- 1.1 The purpose of this report is to provide the Fire Authority with the final 2023/24 revenue and capital budget outturn position.

2. Recommendations

- 2.1 The Authority is asked to:

2.1.1 note the revenue and capital budget outturn position (Appendix 1),

2.1.2 approve the requested budget holder carry forwards (Appendix 2),

2.1.3 note the contents of the Annual Treasury Management Report (Appendix 3).

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

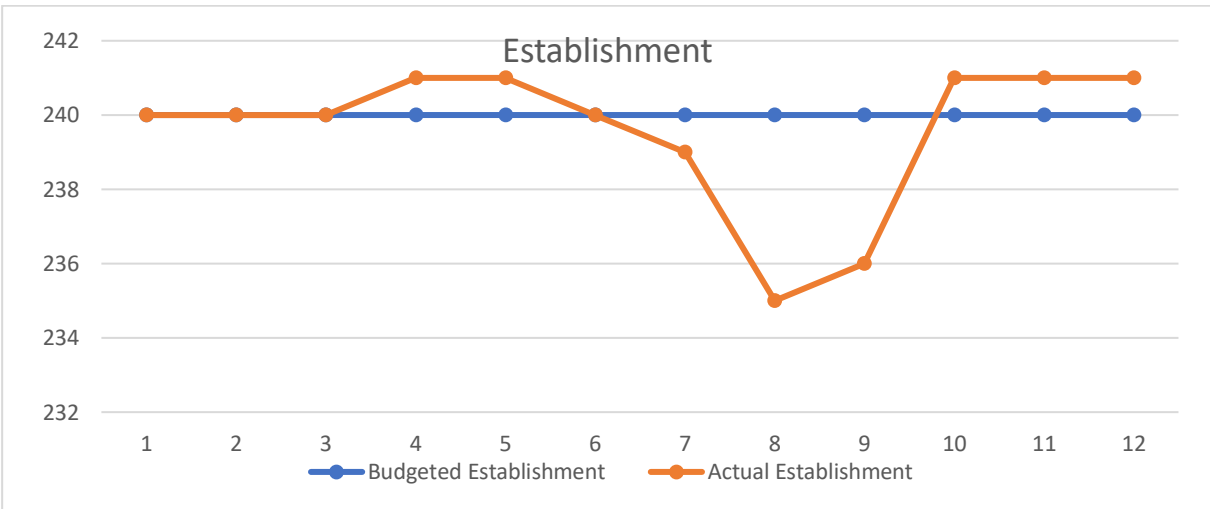
- 4.1 The budget for 2023/24 was approved at the Fire Authority meeting held in February 2023 (Minute 65 refers). The total budget was set at £34.672m with a total precept of £24.137m.

- 4.2 At its meeting in June 2023 the Authority approved a revenue carry forward of £1.636m (Minute 77 refers). The carry forward included grant income of £0.641m. The revised revenue budget for the 2023/24 financial year is therefore £36.308m. Further adjustments have been made in respect of additional business rates income and expenditure, making a final revised budget £33.066m.

- 4.3 The financial year 2023/24 was very challenging owing to a number of factors including but not limited to inflation, employee retention and uncertainty about pay awards along with the possibility of industrial action. Throughout the year, the Service has monitored its spend carefully and proactively worked 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. The primary reasons that have enabled this position is that the final business rates income figure was higher than anticipated and the level of professional support staff vacancies through the financial year. The final position is a £30k overspend and is included within the draft statement of accounts, that were published on the Authority’s website on 31 May 2024.

5. Final Revenue Outturn Position

- 5.1 The budget for full-time firefighters was overspent at year-end by £125k owing to the agreed pay award being higher than that budgeted. The Service continued to vigorously monitor and manage overtime along with robust modelling of future recruitment to ensure control over this budget whilst maintaining crewing levels at an appropriate level.



- 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 the 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 progress through 2024/25 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 2023/24 financial year. These changes are primarily around the legacy grants applied throughout the pandemic for business rates. The Service continues to seek clarity around the future of these grants and implications for future funding. However, it is anticipated that the full position will not be known until a new Government completes a full funding review.

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 overspend of £30k. This will be transferred from 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	-2,066
Interest receivable	-269
Capital Financing	2,215
Additional Business Rate income	-504
Committed Revenue Expenditure (orders raised but not paid)	373
Delegated Budgets Carried Forward requests	315
Transfer from Earmarked Reserves	-34
Final Under(-)/Over spend from 2023/24	30

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

Funding Requirements	£'000
Staffing	120
ICT and digital development	100
Financing	32
Equipment replacement projects	26
Trauma welfare support	20
Service initiatives	10
Local resilience forum	7

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 £2,110k.

	Note	Balance at 1 April 2023	In year Movement (-) funding out / funding in	Balance at 31 March 2024
		£000	£000	£000
General Reserve	7.2	2,140	-30	2,110
Property Development Reserve	7.3	-	1,400	1,400
Financial Business Continuity Reserve	7.4	1,319	-459	860
Tactical Reserve	7.5	297	-	297
Wholetime Reserve		400	-	400
Pension Reserve		523	-	523
Total		4,679	911	5,590

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 build the new Huntingdon Community Fire and Rescue Station and Training Centre. Contributions will be made back into this reserve when the former (Huntingdon) site is sold.

7.4 The Financial Business Continuity Reserve has been increased using additional income from business rates. The fund will be used to fund the additional pressures resulting from agreed pay awards and inflationary pressures moving forward.

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	900	688	1,588	1,565	832
Land and Buildings	8.3	1,515	955	2,470	1,617	1,485
Equipment	8.4	53	120	173	248	217
IT and Communications	8.5	530	1,001	1,531	1,678	594
		2,998	2,764	5,762	5,108	3,128
Financing						
Capital Receipts		-2,959	-	-2,959	-2,959	-627
Loan/Borrowing		-	-	-	-	-
Application of Reserves		150	-2,764	-2,614	-1,960	-128
Revenue Contribution		-189	-	-189	-189	-2,373
		-2,998	-2,764	-5,762	-5,108	-3,128

- 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 new hybrid flexi duty vehicles (the Service has seen significant delays in replacing parts of its silver fleet after the existing supplier, withdraw from the market). The procurement of a foam water carrier has been carried out in 2023/24 and funding will be carried forward to 2024/25.
- 8.3 This budget covers the maintenance of existing properties and also includes the refurbishment of the station at Stanground which was partly funded by Community Infrastructure Levy (CIL) provided by Peterborough City Council in 2023/24.
- 8.4 The equipment expenditure budget relates to a new breathing Apparatus (BA) washing machine and thermal imaging cameras. 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 and a new BA washing machine at our station in Huntingdon.
- 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 2024/25 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

Fire Authority and Committee Reports and Minutes – various 2023/24

Location

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SUMMARY OF FINAL OUTTURN POSITION

Summary Financial Table

Description	Original	Revised	Actual to	Variance	Variance
	Budget	Budget	Date		
	£'000's	£'000's	£000's	£000's	%
Operational Wholetime	14,233	14,682	14,807	125	1%
Operational On-Call	3,297	3,373	3,152	(221)	-7%
Operational Control	1,860	1,909	1,934	25	1%
Operational Other	871	871	1,131	260	30%
Support Mgt & Admin	7,302	7,495	7,139	(356)	-5%
Support Mechanics	260	265	291	26	10%
Support Caretakers/Handymen	206	211	211	-	0%
Other Employee Costs	1,513	1,829	1,549	(280)	-15%
EMPLOYEE COSTS	29,542	30,635	30,214	(421)	-1%
Property Maintenance	466	505	566	61	12%
Building Insurance	45	45	41	(4)	-9%
Energy Costs	619	619	702	83	13%
Cleaning	17	12	15	3	25%
Rents & Rates	759	759	956	197	26%
Other Property Expenditure	35	28	33	5	18%
PREMISES	1,941	1,968	2,313	345	18%
Equipment Expenditure	290	320	325	5	2%
Vehicle Running Expenses	703	706	658	(48)	-7%
Vehicle Insurance	129	129	117	(12)	-9%
TRANSPORT AND MOVEABLE PLANT	1,122	1,155	1,100	(55)	-5%
Office Expenses	164	226	168	(58)	-26%
IT & Communications Equip.	2,082	2,354	2,244	(110)	-5%
Fire Equipment	59	59	16	(43)	-73%
Insurance	24	24	34	10	42%
Other Supplies & Services	1,556	2,429	1,088	(1,341)	-55%
SUPPLIES AND SERVICES	3,885	5,092	3,550	(1,542)	-30%
Debt Charges	188	188	188	-	0%
External Interest	(70)	(70)	(339)	(269)	384%
Capital Financing	450	450	2,665	2,215	492%
CAPITAL FINANCING	568	568	2,514	1,946	343%
CONTROLLABLE EXPENDITURE	37,058	39,418	39,691	273	1%
Other Income	(1,387)	(1,584)	(1,942)	(358)	23%
Other Government Grants	(1,863)	(1,881)	(1,958)	(77)	4%
Secondments	(137)	(234)	(191)	43	-18%
CONTROLLABLE INCOME	(3,387)	(3,699)	(4,091)	(392)	11%
NET CONTROLLABLE EXPENDITURE	33,671	35,719	35,600	(119)	0%
Grant/Precept Income	(33,671)	(35,671)	(36,175)	(504)	
In-year Reserve Movements	-	(48)	604	652	
CONTRIBUTIONS	(33,671)	(35,719)	(35,571)	148	
CONTRIBUTION FROM GENERAL RESERVE	-	-	(29)	(29)	

Appendix 2

No	Area of Responsibility	Group	Requester	Description	Value	Category
1	ACFO	Hydrants	Phil Thacker	To provide new racking and accessories for the new hydrant 4x4 vehicles	£18,000	Revenue
2	ACFO	Operational Support Group	Mark Hodges	Foam replacement provision	£8,000	Revenue
3	ACFO	Operational Support Group	Kev Andrews	Defuser and stress debrief training - trauma welfare support	£20,000	Revenue
4	ACFO	Combined Fire Control	Clare Smith	Combined Fire Control stand down uniform	£2,000	Revenue
5	ACFO	CPLRF	Josh Muir	Ringfenced Cambridgeshire and Peterborough local resilience forum budget	£4,653	Revenue
6	DCEO	Media	Hayley Douglas	Ringfenced local resilience forum funding	£2,278	Revenue
7	DCEO	Recruitment	Christine Doody	Chief Fire Officer/Chief Executive Officer recruitment	£10,000	Revenue
8	DCEO	Application Support Group	Dave Reeson	CFRMIS - cloud migration	£20,000	Revenue
9	DCEO	Finance	Ursula Bird	Revised minimum revenue position contribution	£32,000	Revenue
10	DCEO	STEP	Tamsin Mirfin	Digital transformation projects	£80,000	Revenue
11	DCEO	Corporate		Performance related pay	£110,000	Revenue
12	DCEO	Occupational Health	John Fagg	SHQ gym set up and gym equipment replenishment	£8,000	Revenue