

To: Cambridgeshire and Peterborough Fire Authority

From: Deputy Chief Executive Officer - Matthew Warren

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

Telephone 01480 444619  
[matthew.warren@cambsfire.gov.uk](mailto:matthew.warren@cambsfire.gov.uk)

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## Revenue and Capital Budget Monitoring Report 2021/22

### 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 30 September 2021.

### 2. Recommendation

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

### 3. Risk Assessment

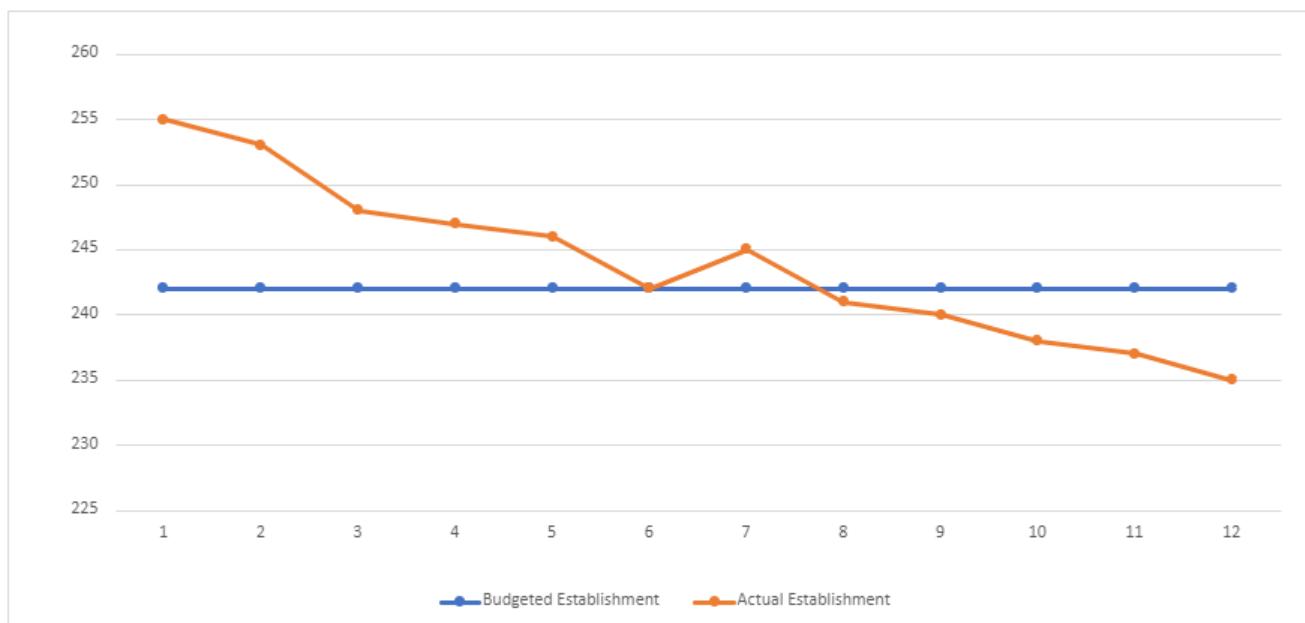
- 3.1 No specific risks are associated with this report.

### 4. Background

- 4.1 The budget for 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.
- 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. The overspend includes the pay award agreed with the Fire Brigades Union (FBU) of 1.5%. This will be applied from July 2021 and will continue to add pressure to the budget as it wasn't budgeted for. 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 training on the new turntable ladders which are now operational. The Service has introduced control measures to monitor and manage overtime along with robust modelling of 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. The graph below shows the anticipated establishment levels as we move towards the end of year, which demonstrates a reduction in budget pressure.



- 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 £166k. 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 are currently subject to inflationary pressures and will continue to be incurred throughout the financial year, so these underspends will reduce.

- 5.4 The significant underspend relates to vehicle insurance which will continue to be incurred through the financial year by way of excess on claims.
- 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:

		Original Budget	Carry Forwards	Revised Estimate	Total Committed to Date
		£000's	£000's	£000's	£000's
<b>Expenditure</b>					
Vehicles	6.2	2,258	107	2,365	744
Land and Buildings	6.3	7,172	234	7,406	863
Equipment	6.4	272	197	469	188
IT and Communications	6.5	775	91	866	293
					0
		10,477	629	11,106	2,088
<b>Financing</b>					
Capital Receipts		-457	0	-457	-457
Loan		-2,550	0	-2,550	0
Application of General Reserve		-6,833	0	-6,833	-365
Revenue Contribution		-637	-629	-1,266	-1,266
		-10,477	-629	-11,106	-2,088

- 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 as part of a broader review of the Authority's approach to environmental sustainability.
- 6.3 This budget covers the maintenance of existing properties and investment in new facilities. The Huntingdon community 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. The purchase and implementation of the new incident command and control system and mobilisation system is included within this budget.

## Source Documents

Revenue and Capital Budget Position 2021/22

Location:

Hinchingbrooke Cottage  
Brampton Road  
Huntingdon  
PE29 2NA

Contact:

Deb Thompson  
Scrutiny and Assurance Manager  
[deb.thompson@cambsfire.gov.uk](mailto:deb.thompson@cambsfire.gov.uk)

## Appendix 1

Description	Paragraph Reference	Revised Budget £	Budget to Date £	Actual to Date £	Variance £	Variance %
Full Time Firefighters		12,880,581	6,485,987	6,767,951	281,964	4%
Control Room Staff		1,651,570	822,613	862,394	39,781	5%
Local Govt. Employees		3,316,844	1,466,054	1,490,067	24,013	2%
Senior Management (Hay)		3,576,104	1,853,084	1,893,390	40,306	2%
Recruitment & Training		826,329	508,338	281,752	-226,586	-45%
Fire Allowances		680,740	333,245	367,421	34,176	10%
<b>EMPLOYEE COSTS</b>	<b>5.1 - 5.2</b>	<b>22,932,168</b>	<b>11,469,321</b>	<b>11,662,976</b>	<b>193,655</b>	<b>2%</b>
Property Maintenance		351,767	180,798	132,729	-48,069	-27%
Insurance		73,840	43,048	28,967	-14,081	-33%
Energy Costs		319,780	154,565	104,889	-49,676	-32%
Cleaning		60,867	15,387	17,945	2,558	17%
Rents & Rates		613,740	613,740	557,095	-56,645	-9%
<b>PREMISES</b>	<b>5.3</b>	<b>1,419,994</b>	<b>1,007,538</b>	<b>841,625</b>	<b>-165,913</b>	<b>-16%</b>
Car & Cycle Allowances		68,960	34,488	24,391	-10,097	-29%
Vehicle Running Expenses		177,054	89,086	88,179	-907	-1%
Vehicle Insurance		178,590	101,370	77,723	-23,647	-23%
<b>TRANSPORT AND MOVEABLE PLANT</b>	<b>5.4</b>	<b>424,604</b>	<b>224,944</b>	<b>190,293</b>	<b>-34,651</b>	<b>-15%</b>
Office Expenses		314,610	158,302	87,135	-71,167	-45%
IT & Communications Equip.		2,154,021	1,465,424	774,688	-690,736	-47%
Fire Equipment		363,418	164,684	93,631	-71,053	-43%
Uniforms & Clothing		394,194	199,672	133,742	-65,931	-33%
Other Supplies & Services		2,061,878	721,392	516,829	-204,563	-28%
<b>SUPPLIES AND SERVICES</b>	<b>5.5</b>	<b>5,288,121</b>	<b>2,709,474</b>	<b>1,606,024</b>	<b>-1,103,450</b>	<b>-41%</b>
<b>CONTROLLABLE EXPENDITURE</b>		<b>30,064,887</b>	<b>15,411,277</b>	<b>14,300,917</b>	<b>-1,110,360</b>	<b>-7%</b>
Other Income		-1,584,100	-474,831	-563,536	-88,705	19%
Other Government Grants		-1,538,510	0	19,264	19,264	0%
<b>CONTROLLABLE INCOME</b>		<b>-3,122,610</b>	<b>-474,831</b>	<b>-544,272</b>	<b>-69,441</b>	<b>15%</b>
<b>NET CONTROLLABLE EXPENDITURE</b>		<b>26,942,277</b>	<b>14,936,446</b>	<b>13,756,646</b>	<b>-1,179,800</b>	<b>-8%</b>
Debt Charges		1,266,278	235,153	54,467	-180,686	-77%
External Interest		-90,000	-25,416	-2,044	23,372	-92%
<b>CAPITAL FINANCING</b>		<b>1,176,278</b>	<b>209,737</b>	<b>52,423</b>	<b>-157,314</b>	<b>-75%</b>
Pensions - Lump Sums		659,580	329,790	354,141	24,351	7%
Operational Fire Budget		3,271,381	1,621,012	1,505,759	-115,253	-7%
<b>SAFETY-NETTED EXPENDITURE</b>	<b>5.6</b>	<b>3,930,961</b>	<b>1,950,802</b>	<b>1,859,901</b>	<b>-90,901</b>	<b>-0</b>
<b>NET EXPENDITURE</b>		<b>32,049,516</b>	<b>17,096,985</b>	<b>15,668,970</b>	<b>-1,428,015</b>	<b>-8%</b>