

To: Policy and Resources Committee

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

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## Revenue and Capital Budget Monitoring Report 2023-24

### 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 of 30 September 2023.

### 2. Recommendation

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

### 3. Risk Assessment

- 3.1 **Economic** – the greatest risk to the in-year budget is the continued impact of inflation on prices and pay. The Authority may have to use reserves to balance spend at the end of the financial year.

### 4. Background

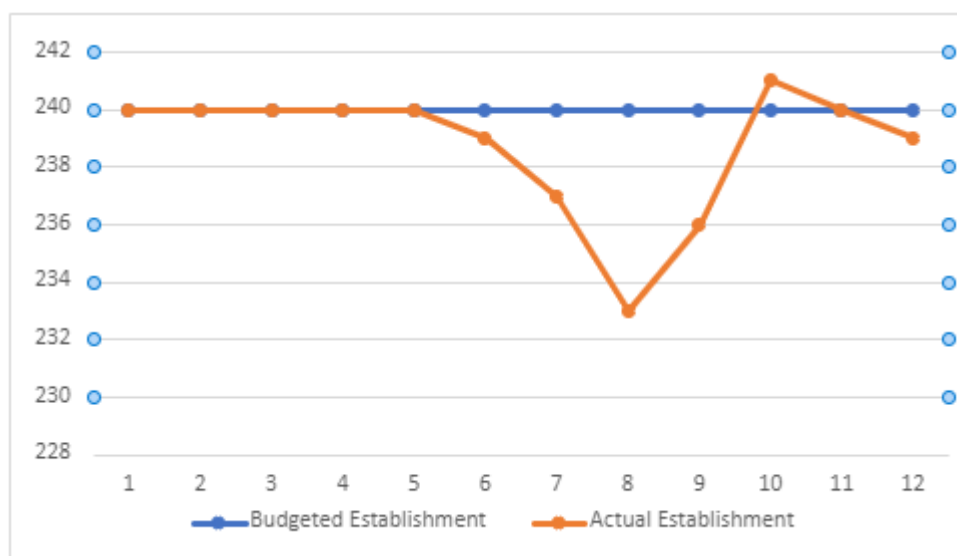
- 4.1 The budget for 2023/24 was approved at the Fire Authority meeting held in February 2023. The total budget was set at £33.671m with a total precept of £24.136m.
- 4.2 At its meeting in June 2023 the Authority approved a revenue carry forward of £1.636m. The carry forward included grant income of £0.647m which will be held in reserve until the funding is required. Grant funding of £1.4m relating to business rate multiplier inflation has been transferred into a reserve to fund specific one-off capital expenditure. The final adjustment from reserves of £459k will finance a retrospective pay award. This leaves the Authority with a revised revenue budget for the 2023/24 financial year of £35.720m.
- 4.3 A budgetary control summary showing the main variations to 30 September 2023 is attached at Appendix 1. The carry forwards highlighted in Paragraph 4.2 above have been incorporated into the current year budgets.

## 5. Inflationary Pressures

- 5.1 As highlighted through the budget setting process for the 2023/24 financial year, inflation continued to be deemed the greatest risk to the financial sustainability of the Authority in the short-term.

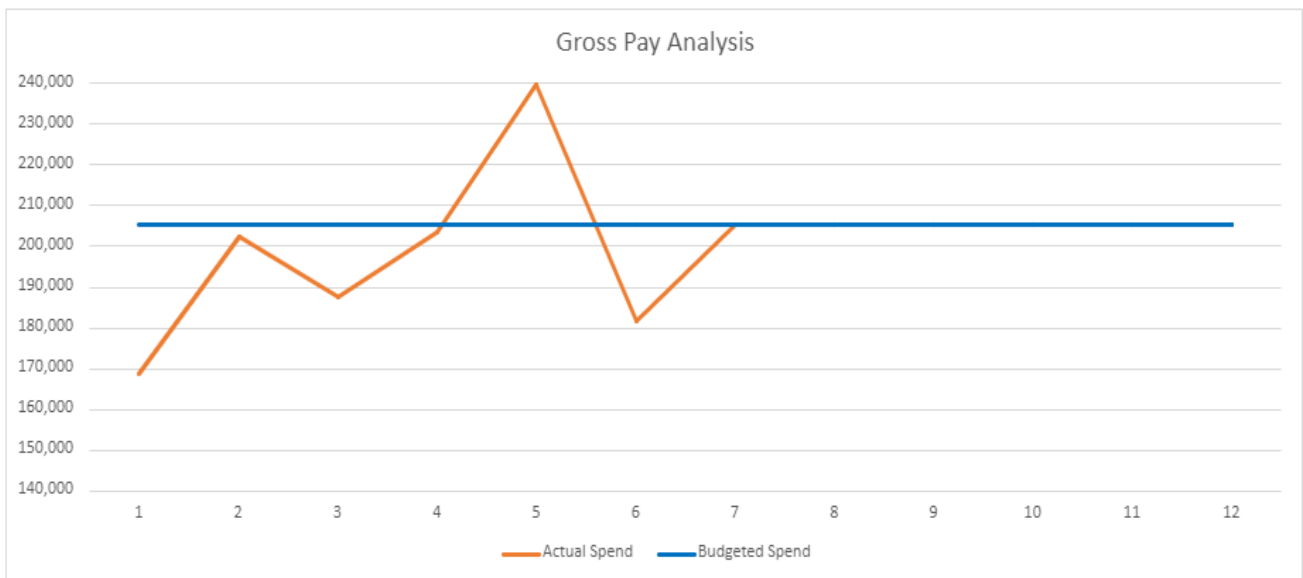
## 6. Update – Revenue Expenditure

- 6.1 The budget for full-time firefighters is currently slightly overspent this financial year primarily due to mandatory training and associated overtime payments. Actual firefighter numbers are slightly lower than that budgeted for in the establishment however the Service has robust plans in place to bring wholtime crewing levels back in line with the budgeted establishment by the end of the calendar year.



- 6.2 The control pay budget will come under additional pressure as we move to implementation of the new mobilisation system. This pressure is related to overtime required to backfill watches whilst they are being trained on the new system. This will be closely controlled to ensure we balance additional spend and crewing levels.
- 6.3 The pay award for professional support employees is still to be agreed. There is a risk that it will be greater than that forecast which may create a small on-going pressure. However the in-year pressure will be offset by savings resulting from delays in recruiting to vacant posts.
- 6.4 The premises budget is currently underspent by £158k. This is not expected to continue to year-end as the Service anticipates energy cost pressures through the colder months.
- 6.5 Vehicle running expenses are showing an overspend. This is owing to supply challenges with the silver fleet resulting in higher maintenance costs. However the rollout of new Officer cars will begin in November so the burden on this budget will drop in the latter part of the financial year.

- 6.6 The supplies and services budgets are showing an underspend. This budget is where all savings identified as part of the comprehensive spending review (CSR) preparation project are held. It is intended to use these savings to fund the budget gaps caused by inflationary increases at year-end.
- 6.7 The operational fire budget relates to On-Call firefighter expenditure. This expenditure fluctuates according to demand and is continually monitored through the financial year. The current budget is underspent significantly, which is a direct contrast to this time last year when the Service had experienced significant demand and was overspending.



- 6.8 The Service continues to work with District Council colleagues and external advisors to clarify the position regarding business rate income. This income continues to exceed the indicative baseline funding level. To protect small business from increases in business rates, the Government froze the rate a business would pay in 2020. To ensure local authorities and fire services were not disadvantaged, the Government issued a top-up grant for the shortfall in funding. As a service, we rely on the collecting authorities to inform us each January of anticipated income levels. There have been significant adjustments relating to historic income that is now being received. It is our plan to utilise this income on capital projects so not to commit to on-going expenditure. We will continue to work with District Council partners to understand the income position moving forward. We hope to be able to report this to the Fire Authority in February 2024.

## 7. Update - Capital Expenditure and Financing

- 7.1 The revised capital programme, together with spending to date, is shown in the table contained within Appendix 2
- 7.2 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 provides for a foam water carrier, a mixture of service fleet vans and cars along with new hybrid flexi Officer vehicles. The carry forward relates to flexi Officer car purchases that have been delayed by almost two years.
- 7.3 This budget covers the maintenance and refurbishment of existing properties across the entire estate.
- 7.4 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 mobilisation system is included within this budget.
- 7.5 The equipment expenditure relates to heavy duty rescue equipment, thermal cameras and defibrillators.
- 7.6 The Authority is still carrying debt of £5.7m. This position remains unchanged since June 2021, the last time any additional debt was taken. The Authority is holding £8.6m on deposit against this debt. A summary table of this position is shown in Appendix 3.

### Source Documents

Revenue and Capital Budget Position 2023/24 Reports and Committee Minutes

### Location:

Fire Service HQ  
Hinchingbrooke Cottage  
Huntingdon

### Contact Officer:

Deb Thompson  
Scrutiny and Assurance Manager  
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## Appendix 1

| Description                         | Paragraph Reference | Revised Budget £  | Budget to Date £  | Actual to Date £  | Variance £        | Variance %  |
|-------------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Full Time Firefighters              |                     | 14,416,052        | 7,223,642         | 7,233,382         | 9,740             | 0%          |
| Control Room Staff                  |                     | 1,861,170         | 935,243           | 949,893           | 14,650            | 2%          |
| Local Govt. Employees               |                     | 3,091,211         | 1,546,813         | 1,395,047         | -151,766          | -10%        |
| Senior Management (Hay)             |                     | 4,443,130         | 2,276,123         | 2,195,468         | -80,655           | -4%         |
| Recruitment & Training              |                     | 570,988           | 299,755           | 260,700           | -39,055           | -13%        |
| Fire Allowances                     |                     | 767,923           | 286,847           | 272,545           | -14,302           | -5%         |
| <b>EMPLOYEE COSTS</b>               | <b>6.1 - 6.3</b>    | <b>25,150,474</b> | <b>12,568,423</b> | <b>12,307,036</b> | <b>-261,387</b>   | <b>-2%</b>  |
| Property Maintenance                |                     | 506,011           | 288,714           | 213,043           | -75,671           | -26%        |
| Insurance                           |                     | 61,613            | 0                 | 8,967             | 8,967             | 0%          |
| Energy Costs                        |                     | 593,297           | 280,478           | 226,176           | -54,302           | -19%        |
| Cleaning                            |                     | 42,527            | 18,823            | 13,637            | -5,186            | -28%        |
| Rents & Rates                       |                     | 746,580           | 746,580           | 714,585           | -31,995           | -4%         |
| <b>PREMISES</b>                     | <b>6.4</b>          | <b>1,950,028</b>  | <b>1,334,595</b>  | <b>1,176,407</b>  | <b>-158,188</b>   | <b>-0</b>   |
| Car & Cycle Allowances              |                     | 47,938            | 28,964            | 27,595            | -1,369            | -5%         |
| Vehicle Running Expenses            |                     | 213,462           | 107,906           | 120,134           | 12,228            | 11%         |
| Vehicle Insurance                   |                     | 128,938           | 8,000             | 7,865             | -135              | -2%         |
| <b>TRANSPORT AND MOVEABLE PLANT</b> | <b>6.5</b>          | <b>390,338</b>    | <b>144,870</b>    | <b>155,593</b>    | <b>10,723</b>     | <b>0</b>    |
| Office Expenses                     |                     | 221,955           | 113,301           | 102,479           | -10,822           | -10%        |
| IT & Communications Equip.          |                     | 2,245,154         | 1,302,357         | 1,355,890         | 53,533            | 4%          |
| Fire Equipment                      |                     | 379,810           | 200,766           | 186,117           | -14,649           | -7%         |
| Uniforms & Clothing                 |                     | 494,383           | 247,839           | 174,666           | -73,173           | -30%        |
| Other Supplies & Services           |                     | 2,856,697         | 1,288,805         | 673,396           | -615,409          | -48%        |
| <b>SUPPLIES AND SERVICES</b>        | <b>6.6</b>          | <b>6,197,999</b>  | <b>3,153,068</b>  | <b>2,492,548</b>  | <b>-660,520</b>   |             |
| <b>CONTROLLABLE EXPENDITURE</b>     |                     | <b>33,688,839</b> | <b>17,200,956</b> | <b>16,131,583</b> | <b>-1,069,373</b> | <b>-6%</b>  |
| Other Income                        |                     | -1,706,363        | -534,558          | -840,295          | -305,737          | 57%         |
| Other Government Grants             |                     | -1,878,756        | -1,450,314        | -1,615,775        | -165,461          | 11%         |
| <b>CONTROLLABLE INCOME</b>          | <b>6.8</b>          | <b>-3,585,119</b> | <b>-1,984,872</b> | <b>-2,456,070</b> | <b>-471,198</b>   |             |
| <b>NET CONTROLLABLE EXPENDITURE</b> |                     | <b>30,103,720</b> | <b>15,216,084</b> | <b>13,675,513</b> | <b>-1,540,571</b> | <b>-10%</b> |
| Debt Charges                        |                     | 637,692           | 93,876            | 64,111            | -29,765           | -32%        |
| External Interest                   |                     | -70,000           | -35,000           | -81,069           | -46,069           | 132%        |
| <b>CAPITAL FINANCING</b>            |                     | <b>567,692</b>    | <b>58,876</b>     | <b>-16,958</b>    | <b>-75,834</b>    |             |
| Pensions - Lump Sums                |                     | 1,263,180         | 837,346           | 824,296           | -13,050           | -2%         |
| Operational Fire Budget             |                     | 3,785,441         | 1,846,858         | 1,655,679         | -191,179          | -10%        |
| <b>SAFETY-NETTED EXPENDITURE</b>    | <b>6.7</b>          | <b>5,048,621</b>  | <b>2,684,204</b>  | <b>2,479,975</b>  | <b>-204,229</b>   |             |
| <b>NET EXPENDITURE</b>              |                     | <b>35,720,033</b> | <b>17,959,164</b> | <b>16,138,530</b> | <b>-1,820,634</b> | <b>-10%</b> |

## Capital Resources Summary

| Capital Expenditure/Funding Type | Para | Original Budget     | Carry forwards      | Revised Budget      | Actual Expenditure | Committed           |
|----------------------------------|------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Vehicles                         | 7.2  | £ 899,980           | £ 687,554           | £ 1,587,534         | £ 122,578          | £ 1,543,973         |
| Property                         | 7.3  | £ 1,515,000         | £ 954,655           | £ 2,469,655         | £ 542,732          | £ 1,858,264         |
| ICT                              | 7.4  | £ 530,000           | £ 1,001,251         | £ 1,531,251         | £ 187,603          | £ 1,145,603         |
| Equipment                        | 7.5  | £ 53,340            | £ 119,567           | £ 172,907           | £ 101,391          | £ 101,391           |
| <b>Total</b>                     |      | <b>£ 2,998,320</b>  | <b>£ 2,763,027</b>  | <b>£ 5,761,347</b>  | <b>£ 954,304</b>   | <b>£ 4,649,231</b>  |
| <b>Capital Receipts</b>          |      | -£ 2,959,000        | £ -                 | -£ 2,959,000        | -£ 558,653         | -£ 2,959,000        |
| <b>Loan</b>                      |      | £ -                 | £ -                 | £ -                 | £ -                | £ -                 |
| <b>Application of reserves</b>   |      | £ 150,000           | £ -                 | £ 150,000           | £ -                | £ -                 |
| <b>Revenue Contribution</b>      |      | -£ 189,000          | -£ 2,763,025        | -£ 2,952,025        | -£ 395,651         | -£ 1,690,231        |
|                                  |      | <b>-£ 2,998,000</b> | <b>-£ 2,763,025</b> | <b>-£ 5,761,025</b> | <b>-£ 954,304</b>  | <b>-£ 4,649,231</b> |

