

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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## Final Revenue and Capital Budget Position 2021-22 and Treasury Management Statement

### 1. Purpose

- 1.1 The purpose of this report is to provide the Fire Authority with the final 2021/22 revenue and capital budget outturn position.

### 2. Recommendations

- 2.1 The Authority is asked to:

- note the revenue and capital budget outturn position;
- note the Treasury Management Statement attached at Appendix 3;
- approve the requested budget holder carry forwards.

### 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.

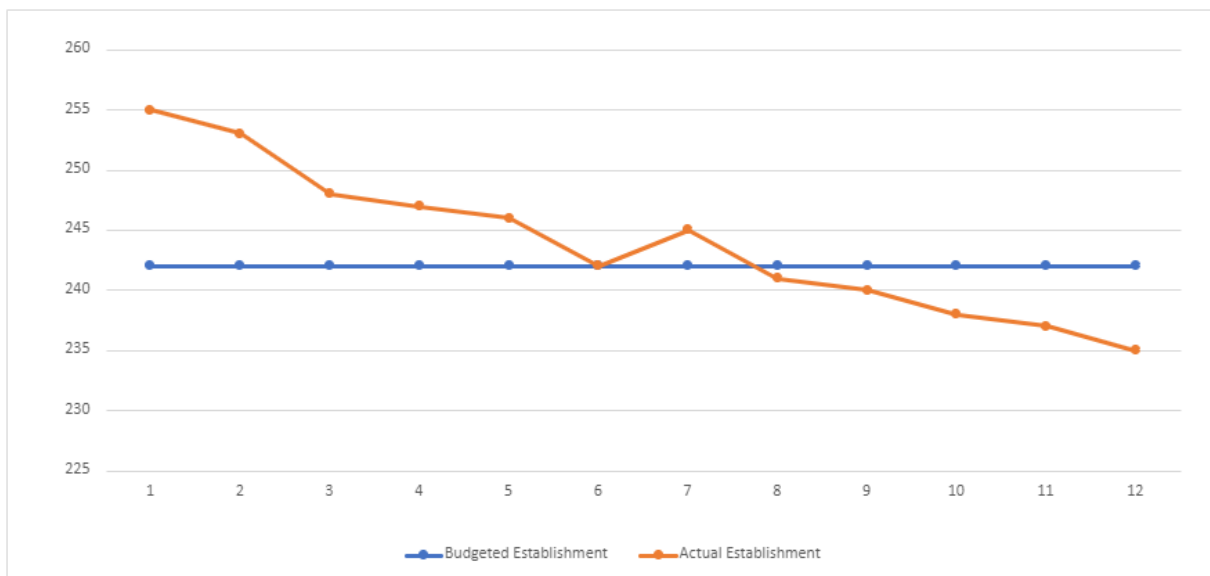
### 4. Background

- 4.1 The budget for 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. The carry forwards are yet to be applied to the budget.

## 5. Final Revenue Outturn Position

- 5.1 The budget for full-time firefighters overspent slightly at year-end. The Service introduced control measures to 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. This resulted in a significant reduction against the overspending shown earlier in the financial year.



- 5.2 The budgets for other employee groups showed a small underspending at year-end. This was as a result of higher than expected attrition rates within the professional support services.
- 5.3 The premises budget underspent by £115k. The business rates for the Service were subject to a full review and have been reduced as a result. The on-going savings will be £50k per annum. The on-going impact of our SHQ building not being occupied has reduced energy usage.
- 5.4 The supplies and services budget is underspent. This is owing to a retrospective one-off rebate on business rates, delays in incurring project costs and significant savings identified to pay for on-going unbudgeted pay award(s). There is also a pre-payment of ICT contract costs that resulted in an additional underspend as costs were attributed to the previous financial year in error.
- 5.5 The other grant budget was subject to significant changes during the 2021/22 financial year. These changes included additional S31 grants from Government for council tax compensation, ESMCP, an additional COVID-19

Grant, a Pension Grant to deal with McCloud administration and additional income resulting from the pooling of business rates.

## 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 underspend of £35k. This underspend will be transferred to 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.

<b>Budget Area</b>	<b>Under (-) / Over (+) £'000</b>
Controllable expenditure/income	-3,266
Safety Netted Expenditure*	150
Capital Financing	-221
Creation of Business Continuity Reserve/Tactical Reserve	1,143
Over achieved Precept income	481
ESMCP	641
Committed Revenue Expenditure (orders raised but not paid)	480
Delegated Budgets Carried Forward	555
<b>Final Under(-)/Over spend from 2021/22</b>	<b>-35</b>

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

<b>Funding Requirements</b>	<b>£'000</b>
ESMCP(including coverage grant)	647
Staffing	65
Occupational Health Fitness	5
Business Development Projects	10
Business Support	70
Control	5
Learning and Development	65
People and Diversity	45
ICT	133
Resilience	19
Community Fire Safety	43
Corporate Workwear	93
Media and Communications	42
Local Resilience Forum	6

## 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 £2,133k.

	Note	Balance at 01/04/19	In year Movement (-) funding out / funding in	Balance at 31/03/20
		£000	£000	£000
General Reserve	7.2	2,098	35	2,133
Property Development Reserve	7.3	8,350	-2,586	5,764
Financial Business Continuity Reserve	7.4	-	1,000	1,000
Tactical Reserve	7.5	200	100	300
Wholetime Reserve		400	-	400
Pension Reserve		523	-	523
<b>Total</b>		<b>11,571</b>	<b>-1,451</b>	<b>10,120</b>

7.3 The Property Development Reserve is set aside to finance the costs of current and future refurbishment and development of the Authority estate. It is being used to fund the new Huntingdon Community Fire and Rescue Station and Training Centre.

7.4 The Financial Business Continuity Reserve has been created using additional income from business rates and underspend. The fund will be used as part of the strategy for dealing with potential financial pressures resulting from inflation in the future.

7.5 The Tactical Reserve was formerly the Community Safety Reserve. It is proposed that this reserve will be used by Heads of Groups 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	2,258	107	2,365	2,331	300
Land and Buildings	8.3	7,172	234	7,406	5,432	5,307
Equipment	8.4	272	197	469	228	213
IT and Communications	8.5	775	91	866	237	293
		10,477	629	11,106	8,228	6,113
Financing						
Capital Receipts		-457	0	-457	-457	-292
Loan/Borrowing		-2,550	0	-2,550	0	-2,566
Application of Reserves		-6,833	0	-6,833	-6,505	-2,587
Revenue Contribution		-637	-629	-1,266	-1,266	-668
		-10,477	-629	-11,106	-8,228	-6,113

8.2 This budget (vehicles) covers the purchase of operational and non-operational vehicles. The adjustment was in respect of carry forwards for service cars, vans and fire appliances ordered in 2019/20 but not received owing to continued supply chain issues with the car provider. The programme for 2020/21 was again subject to significant delays relating to supply of semi-conductors for the automotive industry.

8.3 This budget (land and buildings) also covers the maintenance of existing properties, investment in new facilities and the purchase of the land at St John's. The adjustment relates to carry forwards from last year of funds provided for the committed capital improvements at fire stations.

8.4 The equipment budget relates to operational equipment; heavy duty rescue equipment, thermal imaging cameras, radios and appliance ladders.

8.5 The ICT capital budget covers the purchase of major IT systems, hardware and the upgrade of communications equipment. The spend on the new mobilisation system is included here.

8.6 The outstanding capital schemes that were started and not finished will be completed in the 2022/23 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

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Brampton Road  
Huntingdon

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## Appendix 1

Category Desc	Para	Revised Budget	Budget To Date	Actual To Date	Variance	Var %age
Full Time Firefighters		£ 13,169,147	£ 13,169,147	£ 13,218,022	£ 48,875	0.37%
Control Room Staff		£ 1,677,360	£ 1,677,360	£ 1,748,807	£ 71,447	4.26%
Local Govt. Employees		£ 3,440,661	£ 3,440,661	£ 3,303,893	-£ 136,768	-3.98%
Senior Management (Hay)		£ 3,696,055	£ 3,696,055	£ 3,624,081	-£ 71,974	-1.95%
Recruitment & Training		£ 776,563	£ 776,563	£ 541,378	-£ 235,185	-30.29%
Fire Allowances		£ 680,740	£ 680,740	£ 696,590	£ 15,850	2.33%
<b>EMPLOYEE COSTS</b>	<b>5.1 - 5.2</b>	<b>£ 23,440,526</b>	<b>£ 23,440,526</b>	<b>£ 23,132,772</b>	<b>-£ 307,754</b>	<b>-1.31%</b>
Property Maintenance		£ 351,767	£ 351,767	£ 398,619	£ 46,852	13.32%
Insurance		£ 73,840	£ 73,840	£ 46,386	-£ 27,454	-37.18%
Energy Costs		£ 319,780	£ 319,780	£ 255,347	-£ 64,433	-20.15%
Cleaning		£ 60,867	£ 60,867	£ 45,647	-£ 15,220	-25.01%
Rents & Rates		£ 613,740	£ 613,740	£ 559,017	-£ 54,723	-8.92%
<b>PREMISES</b>	<b>5.3</b>	<b>£ 1,419,994</b>	<b>£ 1,419,994</b>	<b>£ 1,305,015</b>	<b>-£ 114,979</b>	<b>-8.10%</b>
Car & Cycle Allowances		£ 68,960	£ 68,960	£ 46,279	-£ 22,681	-32.89%
Vehicle Running Expenses		£ 177,054	£ 177,054	£ 185,508	£ 8,454	4.77%
Vehicle Insurance		£ 178,590	£ 178,590	£ 140,248	-£ 38,342	-21.47%
<b>TRANSPORT AND MOVEABLE PLANT</b>		<b>£ 424,604</b>	<b>£ 424,604</b>	<b>£ 372,035</b>	<b>-£ 52,569</b>	<b>-12.38%</b>
Office Expenses		£ 315,028	£ 315,028	£ 177,851	-£ 137,177	-43.54%
IT & Communications Equip.		£ 2,235,280	£ 2,235,280	£ 1,624,725	-£ 610,555	-27.31%
Fire Equipment		£ 361,318	£ 361,318	£ 335,030	-£ 26,288	-7.28%
Uniforms & Clothing		£ 394,194	£ 394,194	£ 284,501	-£ 109,693	-27.83%
Other Supplies & Services		£ 2,033,577	£ 2,033,577	£ 1,434,327	-£ 599,250	-29.47%
<b>SUPPLIES AND SERVICES</b>	<b>5.4</b>	<b>£ 5,339,397</b>	<b>£ 5,339,397</b>	<b>£ 3,856,434</b>	<b>-£ 1,482,963</b>	<b>-27.77%</b>
<b>CONTROLLABLE EXPENDITURE</b>		<b>£ 30,624,521</b>	<b>£ 30,624,521</b>	<b>£ 28,666,255</b>	<b>-£ 1,958,266</b>	<b>-6.39%</b>
Other Income		-£ 1,938,196	-£ 1,938,196	-£ 1,855,622	£ 82,574	4.26%
Other Government Grants		-£ 1,801,948	-£ 1,801,948	-£ 3,192,847	-£ 1,390,899	-77.19%
<b>CONTROLLABLE INCOME</b>	<b>5.5</b>	<b>-£ 3,740,144</b>	<b>-£ 3,740,144</b>	<b>-£ 5,048,469</b>	<b>-£ 1,308,325</b>	<b>-34.98%</b>
<b>NET CONTROLLABLE EXPENDITURE</b>		<b>£ 26,884,377</b>	<b>£ 26,884,377</b>	<b>£ 23,617,787</b>	<b>-£ 3,266,590</b>	<b>-12.15%</b>
Debt Charges		£ 1,266,278	£ 1,266,278	£ 975,570	-£ 290,708	-22.96%
External Interest		-£ 90,000	-£ 90,000	-£ 19,897	£ 70,103	77.89%
<b>CAPITAL FINANCING</b>		<b>£ 1,176,278</b>	<b>£ 1,176,278</b>	<b>£ 955,673</b>	<b>-£ 220,605</b>	<b>-18.75%</b>
Pensions - Lump Sums		£ 659,580	£ 659,580	£ 980,978	£ 321,398	48.73%
Operational Fire Budget		£ 3,329,281	£ 3,329,281	£ 3,158,283	-£ 170,998	-5.14%
<b>SAFETY-NETTED EXPENDITURE</b>		<b>£ 3,988,861</b>	<b>£ 3,988,861</b>	<b>£ 4,139,261</b>	<b>£ 150,400</b>	<b>3.77%</b>
<b>NET EXPENDITURE</b>		<b>£ 32,049,516</b>	<b>£ 32,049,516</b>	<b>£ 28,712,721</b>	<b>-£ 3,336,795</b>	<b>-10.41%</b>
<b>Grand Totals</b>		<b>-</b>	<b>-</b>	<b>-£ 35,000</b>	<b>-£ 35,000</b>	

## Appendix 2

Number	Area of Responsibility	Group	Requester	Description	Value	Revenue / Capital	Revenue Category	Nominal Code From
1	ACFO	LRF	jane Ashwell	Ringfenced CPLRF expenditure	£5,817	Revenue	Local Resilience Forum	2605525 - £4234 2410525 - £130 8260525 - £1453
3	ACFO	Resilience	John Sherrington	National resilience training and PPE	£ 8,740	Revenue	Resilience	2605514
4	ACFO	Resilience	John Sherrington	Ringfenced Police Grant	£10,000	Revenue	Resilience	8680514
5	ACFO	Community Fire Safety	Ed Miller	Ringfenced Firebreak income & children and young person grant	£ 42,720	Revenue	Community Fire Safety	2648510 - £30680 8280510 - £12040
6	ACFO	Fire Control	jenni Illingworth	Purchase of new 24 hour chairs for control	£ 4,800	Revenue	Control	2666398 - £2000 0887398 - £2000 2000398 - £800
7	ACFO	Fire Protection	Sean Hedger	ESMCP-Systel integration costs	£15,000	Revenue	Fire Protection	Updates codes
1	DCE	Bus Dev & Risk	Tamsin Mirfin	Secondment - to overlap when Iola is back as can only go out for minimum of 12 months	£10,000	Revenue	Business Intelligence & Performance	0238504 - £1000-900 <del>8680504 - £9000</del>
5	DCE	Bus Dev & Risk	Tamsin Mirfin	ESMCP Funding	£641,624	Revenue	Bus Dev & Risk	
	DCE	Bus Dev & Risk	Tamsin Mirfin	ESMCP Funding (T&S )	£5,248	Revenue	Bus Dev & Risk	
6	DCE	Human Resources	Sam Smith	Back dated recruitment role revaluation	£1,000	Revenue	Human Resources	2490506
7	DCE	Human Resources	Sam Smith	People team Honorariums	£2,000	Revenue	Human Resources	138505
8	DCE	Learning & Development	Sam Smith	Positive Action/ Inclusion Officer Role	£38,000	Revenue	Human Resources	0887500 - £15000 0888500 - £52000 0138500 - £8000
11	DCE	Business Support	Tracey Stradling	Staff job revaluation & succession planning	£ 43,000	Revenue	Business Support	120591
12	DCE	Business Support	Tracey Stradling	Working rig - bulk orders and contract extension	£ 93,000	Revenue	Corp workwear/uniform	2711591 - £39000 2712591 - £54000
	DCE	Business Support	Tracey Stradling	Carry forward for scrap car budget in 591	£ 25,000	Revenue	Business Support	1093585
13	DCE	Equality	Christine Doody	Recruitment agency fees	£ 4,235	Revenue	Diversity	2615518
15	DCE	Media & Comms	Hayley Douglas	Income from PCC for internet funding	£ 15,000	Revenue	Media & Comms	8680502
16	DCE	Media & Comms	Hayley Douglas	Digital sharepoint post	£27,000	Revenue	Media & Comms	2481502 - £15000 2500502 - £6000 2615502 - £3000 0138502 - £3000
17	DCE	ICT	John Fagg	ICT projects as detailed in I46	£ 132,500	Revenue	ICT	2011594 - MDT Software Licences - £22,500 8680594 - Mobile Phone Upgrade - £50,000 2103594 - Unified Comms/VOIP Telephony Solution - £60,000
18	DCE	Occ.Health	Danny/John Fagg	Drug & Alcohol Testing (new)	£ 5,000	Revenue	Occupational Health - Fitness Equipment Etc	2900582 - Hired support (payroll - surplus £16930)
19	DCE	Business Support	Tracey Stradling	Pay arrears for BSG member of staff	£ 2,100	Revenue	Business Support	420591
20	DCE	Deputy Chief Exec	Matthew Warren	21/22 Performance Review	£65,000	Revenue	Staffing	2605769