

To: Policy and Resources Committee

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

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

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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 Policy and Resources Committee with an update on revenue and capital spending as at 30 November 2021.

2. Recommendation

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

3. Risk Assessment

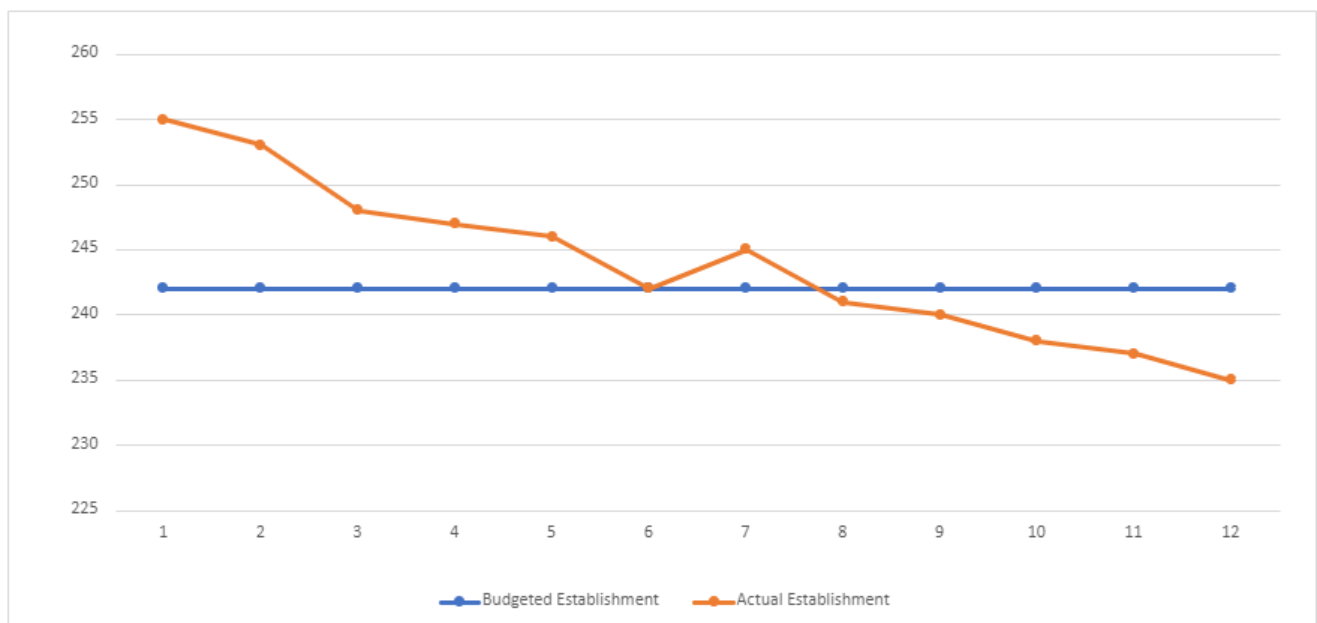
- 3.1 No specific risks are associated with this report.

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 £32.05m.
- 4.3 A budgetary control summary showing the main variations to the end of November 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 was applied from July 2021 and will continue to add pressure to the budget as it wasn't budgeted. 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 overspent as at the end of November. However this position is not expected to continue and will be balanced at year end after the application of an as yet to be agreed pay award.
- 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. The Service has begun to draft an Environmental Sustainability Strategy and Plan that it hopes to bring to Fire Authority in February 2022. Any underspend against these budget areas may be invested in more sustainable buildings and will be presented to Fire Authority for formal approval.

- 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
Expenditure					
Vehicles	6.2	2,258	107	2,365	744
Land & Buildings	6.3	7,172	234	7,406	2,353
Equipment	6.4	272	197	469	188
IT and Communications	6.5	775	91	866	292
		0			
		10,477	629	11,106	3,577
Financing					
Capital Receipts		-457	0	-457	-457
Loan		-2,550	0	-2,550	0
Application of General Reserve		-6,833	0	-6,833	-1,854
Revenue Contribution		-637	-629	-1,266	-1,266
		-10,477	-629	-11,106	-3,577

- 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 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 ICCS and Mobilisation system is included within this budget.

Bibliography

Revenue and Capital Budget Position 2021/22

Location:
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Appendix 1

Description	Paragraph Reference	Revised Budget £	Budget to Date £	Actual to Date £	Variance £	Variance %
Full Time Firefighters		12,880,581	8,607,711	8,913,706	305,995	4%
Control Room Staff		1,651,570	1,100,110	1,163,750	63,640	6%
Local Govt. Employees		3,316,844	1,967,870	1,969,299	1,429	0%
Senior Management (Hay)		3,664,300	2,460,138	2,506,673	46,535	2%
Recruitment & Training		790,079	553,752	359,881	-193,871	-35%
Fire Allowances		680,740	497,236	529,179	31,943	6%
EMPLOYEE COSTS	5.1 - 5.2	22,984,114	15,186,817	15,442,488	255,671	2%
Property Maintenance		351,767	220,016	227,783	7,767	4%
Insurance		73,840	73,840	40,964	-32,877	-45%
Energy Costs		319,780	193,643	147,833	-45,810	-24%
Cleaning		60,867	26,393	26,829	436	2%
Rents & Rates		613,740	613,740	558,700	-55,040	-9%
PREMISES	5.3	1,419,994	1,127,632	1,002,107	-125,525	-11%
Car & Cycle Allowances		68,960	45,972	33,352	-12,620	-27%
Vehicle Running Expenses		177,054	118,396	121,916	3,520	3%
Vehicle Insurance		178,590	167,560	135,131	-32,429	-19%
TRANSPORT AND MOVEABLE PLANT	5.4	424,604	331,928	290,399	-41,529	-13%
Office Expenses		315,028	209,861	110,161	-99,700	-48%
IT & Communications Equip.		2,154,021	1,671,880	989,454	-682,426	-41%
Fire Equipment		363,651	222,585	156,410	-66,175	-30%
Uniforms & Clothing		394,194	263,910	184,731	-79,179	-30%
Other Supplies & Services		1,974,281	950,028	886,175	-63,853	-7%
SUPPLIES AND SERVICES	5.5	5,201,175	3,318,264	2,326,931	-991,333	-30%
CONTROLLABLE EXPENDITURE		30,029,887	19,964,641	19,061,925	-902,716	-5%
Other Income		-1,602,460	-858,805	-987,083	-128,278	15%
Other Government Grants		-1,538,510	-1,025,570	-1,318,509	-292,939	29%
CONTROLLABLE INCOME		-3,140,970	-1,884,375	-2,305,591	-421,216	22%
NET CONTROLLABLE EXPENDITURE		26,888,917	18,080,266	16,756,334	-1,323,932	-7%
Debt Charges		1,266,278	286,835	54,467	-232,368	-81%
External Interest		-90,000	-34,281	-2,278	32,003	-93%
CAPITAL FINANCING		1,176,278	252,554	52,189	-200,365	-79%
Pensions - Lump Sums		659,580	439,676	483,140	43,464	10%
Operational Fire Budget		3,324,741	2,195,446	2,019,112	-176,334	-8%
SAFETY-NETTED EXPENDITURE	5.6	3,984,321	2,635,122	2,502,252	-132,870	-0
NET EXPENDITURE		32,049,516	20,967,942	19,310,775	-1,657,167	-8%