

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 2020/21

### 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 2020.

### 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 2020/21 was approved at the Fire Authority meeting held in February 2020. The total budget was set at £30.419m with a total precept of £20.908m.
- 4.2 At its meeting in June 2020 the Authority approved a revenue carry forward of £1.281m. The carry forward included grant income of £0.561m. The revised revenue budget for the 2020/21 financial year was therefore £31.700m.
- 4.3 A budgetary control summary showing the main variations to the end of June 2020 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 will be closely monitored through this financial year. An operational reserve continues to be maintained by the Authority to enable the Service to manage fluctuations in wholetime firefighter numbers by funding recruitment ahead of known departures. The Service undertook a recruitment campaign earlier this calendar year and appointed 32 new firefighters, 16 of these commenced their training last month; the remaining candidates will start training in

September 2020. These recruits should ensure adequate crewing levels are maintained through to the end of 2021. The exact timing of departures will determine how much of the operational reserve is used at the end of the financial year. In addition to the overspend against wholetime firefighters, allowances paid to flexible duty officers is also overspent. This overspend relates to providing cover on the operational rota for sickness and will also be financed from the operational reserve at year-end.

- 5.2 The Senior Officer's pay relates to the former Assistant Chief Fire Officer's secondment to Essex County Fire and Rescue Service which came to an end in June 2020. The income which offsets this cost is included within the other income line.
- 5.3 The premises budget is currently underspent by £139k. The full impact of COVID-19 on our premises costs will become clear at year end. As the Service progresses through recovery other areas of expenditure may be highlighted. Proposals will be brought to the attention of the Authority as they become known and understood.
- 5.4 The transport costs are underspent by £55k. The major part of this underspend relates to fuel savings from BP providing fuel for the initial part of the financial year.
- 5.5 The supplies and services budget is showing an underspend to the end of November 2020. This is owing to the expenditure against ICT contracts being forecast to be spent ahead of actual spend. This budget also includes COVID-19 expenditure on items of personal protective equipment. The Service received a grant to fund this expenditure and continues to have funds outstanding from partners for items purchased on their behalf.
- 5.6 The Debt Charges are charged at year-end so a balanced position is expected at year end.
- 5.7 The impact of COVID-19 on council tax and business rate collection is beginning to be understood. The early estimates range from 5% reductions in council tax to possibly 20% in business rates. However these are only estimates at this stage. We are working with collecting authorities to understand the position and further information will be presented to the Authority later in the financial year. At that time, there may also be a better understanding of the Government's position with regard to loss of funding.
- 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	Adjustments	Revised Estimate	Total Committed to Date
			£000's	£000's	£000's	£000's
<b>Expenditure</b>						
Vehicles	6.2		1,250	1,767	3,017	1,597
Land & Buildings	6.3		1,220	663	1,883	884
Equipment	6.4		209	106	315	20
IT and Communications	6.5		775	619	1,394	46
			3,454	3,155	6,609	2,547
<b>Financing</b>						
Capital Receipts			-233	-262	-495	0
Loan			-1,616	-2,088	-3,704	0
Application of General Reserve			-881	-715	-1,596	-1,733
Revenue Contribution			-724	-90	-814	-814
			-3,454	-3,155	-6,609	-2,547

- 6.2 This budget covers the purchase of operational and non operational vehicles. The adjustment relates largely to carried forward funding relating to the delayed order of the two new aerial appliances and supplier delay in accepting orders for new vehicles. These appliances are now in service and will be fully operational early next year.
- 6.3 This budget covers the maintenance of existing properties and investment in new facilities. The adjustment relates to carry forwards from last year of funds provided to enhance the training facilities for Ely and refurbishment of the station at Wisbech. The Huntingdon training project will form part of this budget and will be highlighted separately once planning is awarded and final cost quotations are received. This project 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 adjustment relates to agreed carry forwards from last year's budget to fund the upgrade to our infrastructure, including Wi-Fi coverage across the Service.

## BIBLIOGRAPHY

Source Documents	Location	Contact Officer
Revenue and Capital Budget Position 2020/21	Hinchingbrooke Cottage Brampton Road Huntingdon PE29 2NA	Deb Thompson Scrutiny and Assurance Manager <a href="mailto:deb.thompson@cambsfire.gov.uk">deb.thompson@cambsfire.gov.uk</a>

## Appendix 1

Description	Paragraph Reference	Revised Budget	Budget To Date	Actual To Date	Variance	Var%age
Full Time Firefighters	5.1	£ 12,851,880	£ 8,542,759	£ 8,830,536	£ 287,777	3%
Control Room Staff	5.1	£ 1,641,030	£ 1,087,843	£ 1,105,209	£ 17,366	2%
Local Govt. Employees	5.2	£ 3,958,834	£ 2,384,748	£ 2,424,804	£ 40,056	2%
Senior Management (Hay)	5.2	£ 2,963,170	£ 1,975,266	£ 2,161,419	£ 186,153	9%
Recruitment & Training		£ 699,045	£ 460,105	£ 376,205	-£ 83,900	-18%
Fire Allowances	5.1	£ 643,811	£ 465,458	£ 539,893	£ 74,435	16%
<b>EMPLOYEE COSTS</b>		<b>£ 22,757,770</b>	<b>£ 14,916,179</b>	<b>£ 15,438,065</b>	<b>£ 521,886</b>	<b>3%</b>
Property Maintenance		£ 412,702	£ 269,592	£ 205,661	-£ 63,931	-24%
Insurance		£ 65,350	£ 65,350	£ 47,572	-£ 17,778	-27%
Energy Costs		£ 319,780	£ 193,660	£ 161,055	-£ 32,605	-17%
Cleaning		£ 167,460	£ 102,710	£ 77,327	-£ 25,383	-25%
Rents & Rates		£ 728,660	£ 728,660	£ 729,405	£ 745	0%
<b>PREMISES</b>	<b>5.3</b>	<b>£ 1,693,952</b>	<b>£ 1,359,972</b>	<b>£ 1,221,021</b>	<b>-£ 138,951</b>	<b>-10%</b>
Car & Cycle Allowances		£ 69,144	£ 46,078	£ 38,435	-£ 7,643	-17%
Vehicle Running Expenses		£ 172,978	£ 115,520	£ 87,567	-£ 27,953	-24%
Vehicle Insurance		£ 161,690	£ 150,714	£ 130,812	-£ 19,902	-13%
<b>TRANSPORT AND MOVEABLE PLANT</b>	<b>5.4</b>	<b>£ 403,812</b>	<b>£ 312,312</b>	<b>£ 256,814</b>	<b>-£ 55,498</b>	<b>-18%</b>
Office Expenses		£ 319,691	£ 214,382	£ 142,336	-£ 72,046	-34%
IT & Communications Equip.		£ 2,056,155	£ 1,575,002	£ 1,051,409	-£ 523,593	-33%
Fire Equipment		£ 272,714	£ 168,566	£ 119,855	-£ 48,711	-29%
Uniforms & Clothing		£ 393,907	£ 263,901	£ 184,974	-£ 78,927	-30%
Other Supplies & Services		£ 1,325,179	£ 802,230	£ 1,146,480	£ 344,250	43%
<b>SUPPLIES AND SERVICES</b>	<b>5.5</b>	<b>£ 4,367,646</b>	<b>£ 3,024,081</b>	<b>£ 2,645,053</b>	<b>-£ 379,028</b>	<b>-13%</b>
<b>CONTROLLABLE EXPENDITURE</b>		<b>£ 29,223,180</b>	<b>£ 19,612,544</b>	<b>£ 19,560,953</b>	<b>-£ 51,591</b>	<b>0%</b>
Other Income		-£ 1,350,800	-£ 723,795	-£ 1,095,887	-£ 372,092	-51%
Other Government Grants		-£ 1,538,510	-£ 1,025,570	-£ 1,075,958	-£ 50,388	-5%
<b>CONTROLLABLE INCOME</b>		<b>-£ 2,889,310</b>	<b>-£ 1,749,365</b>	<b>-£ 2,171,845</b>	<b>-£ 422,480</b>	<b>-24%</b>
<b>NET CONTROLLABLE EXPENDITURE</b>		<b>£ 26,333,870</b>	<b>£ 17,863,179</b>	<b>£ 17,389,107</b>	<b>-£ 474,072</b>	<b>-3%</b>
Debt Charges	5.6	£ 1,619,420	£ 464,262	£ 54,852	-£ 409,410	-88%
External Interest		-£ 90,000	-£ 30,537	-£ 30,328	£ 209	1%
<b>CAPITAL FINANCING</b>		<b>£ 1,529,420</b>	<b>£ 433,725</b>	<b>£ 24,524</b>	<b>-£ 409,201</b>	<b>-94%</b>
Pensions - Lump Sums		£ 645,850	£ 430,522	£ 423,431	-£ 7,091	-2%
Operational Fire Budget		£ 3,192,350	£ 2,080,235	£ 2,078,117	-£ 2,118	0%
<b>SAFETY-NETTED EXPENDITURE</b>		<b>£ 3,838,200</b>	<b>£ 2,510,757</b>	<b>£ 2,501,547</b>	<b>-£ 9,210</b>	<b>0%</b>
<b>NET EXPENDITURE</b>		<b>£ 31,701,490</b>	<b>£ 20,807,661</b>	<b>£ 19,915,179</b>	<b>-£ 892,482</b>	<b>-4%</b>
Grant/Precept Income	5.7	-£ 30,419,400	-£ 21,405,822	-£ 21,280,679	£ 125,143	1%
Carry Forwards		-£ 1,282,090	-£ 1,282,090	-£ 1,282,090	-£ 0	0%
<b>CONTRIBUTIONS</b>		<b>-£ 31,701,490</b>	<b>-£ 22,687,912</b>	<b>-£ 22,562,769</b>	<b>£ 125,143</b>	<b>1%</b>