

TO: Policy and Resources Committee

FROM: Assistant Director Finance (A) – Ursula Bird

PRESENTING OFFICER(S): Assistant Director Finance (A) – Ursula Bird

Telephone 07900 267912
ursula.bird@cambsfire.gov.uk

DATE: 22 January 2025

REVENUE AND CAPITAL BUDGET MONITORING REPORT 2024/25 (INCLUDING MID YEAR TREASURY MANAGEMENT REVIEW)

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 and a mid-year Treasury Management review as of 31 December 2024

2. Recommendation

- 2.1 The Committee is asked to;
- 2.1.1 note the position on revenue and capital spending,
- 2.1.2 review and provide comment on the mid-year Treasury Management review at Appendix 4.

3. Risk Assessment

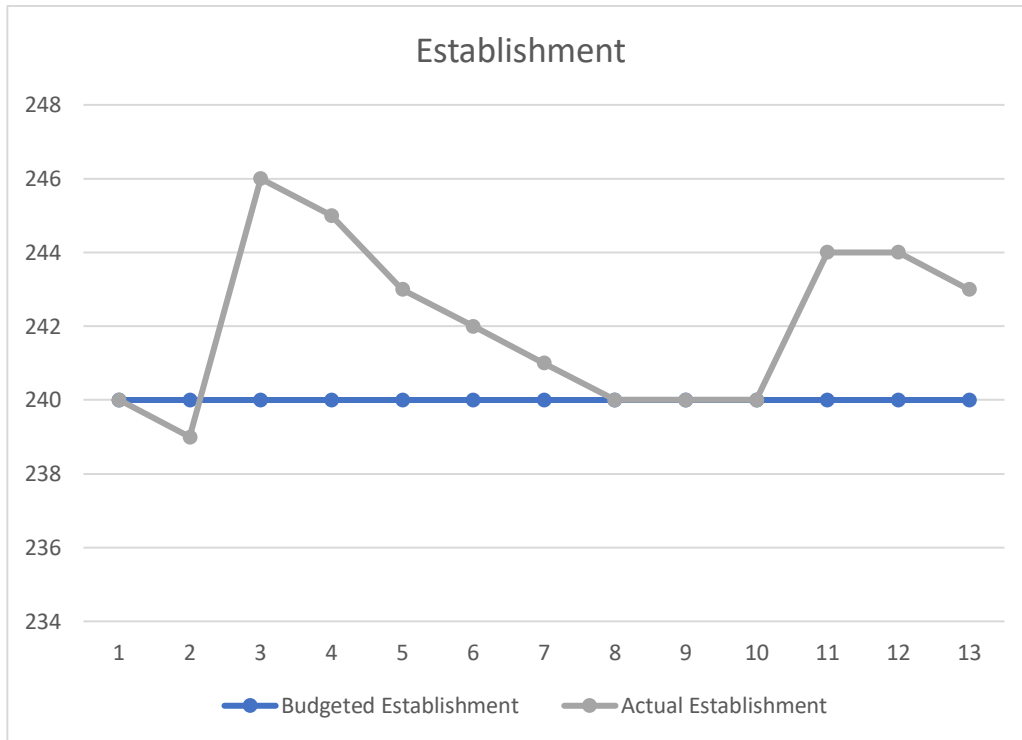
- 3.1 **Economic** – in recent months inflation (CPI) appears to be steadily increasing, being 2% in June and rising to 2.6% in November on goods and services. We have accounted, on average, for 3% in our 2024/25 budget.

4. Background

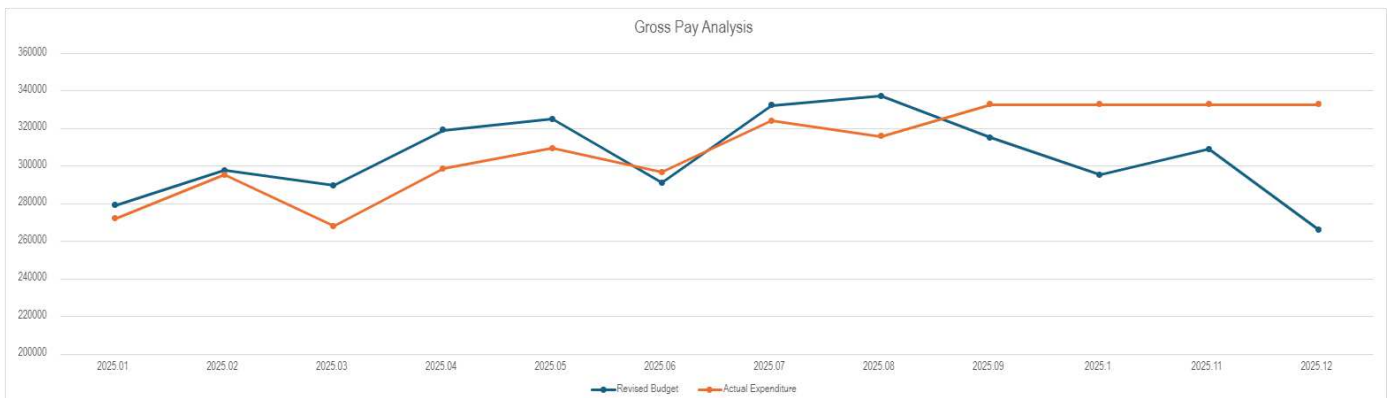
- 4.1 The budget for 2024/25 was approved at the Fire Authority meeting held in February 2024. The total budget was set at £35.592m with a total precept of £25.243m.
- 4.2 At its meeting in June 2024 the Authority approved a revenue carry forward of £0.607m, making a revised budget of £36.199m.
- 4.3 A budgetary control summary showing the main variations to 31 December 2024 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 continues to be overspent in this third quarter, but the variance has reduced as expected as other firefighters have retired and sickness levels have reduced. We are expecting a slight increase in costs over the next couple of months relating to a further take on of new recruits.



5.2 The operational On-Call firefighter expenditure remains underspent. The underspend is down to the fact that not all firefighters are in the pension scheme, and not all attract the full national insurance charges due to individual circumstances. New pay bandings were agreed as part of the Grey Book pay award and came into effect in January 2025; we forecast this could cost the Service up to an additional £400k-£500k per annum. The impact will be better understood by the end of this financial year and will be closely monitored and reviewed.



- 5.3 The control pay continues to have a slight underspend. Establishment is slightly down on that budgeted.
- 5.4 The underspend in support, management and administration is because of unfilled vacancies for parts of the year and a pension lump sum saving of £13k.
- 5.5 Other employee costs cover a large range of supplies and services relating to employees; the main underspends are in clothing (PPE and non-PPE), training and occupational health. Occupational health is largely a reactive cost. A saving of £9k relates to insurance.
- 5.6 The premises underspend continues to be due to gas and electricity costs being significantly less than those budgeted (when rates were high). The overspend relating to the business rates on the old Huntingdon site will remain as the completion of the sale is still pending; it is hoped this will complete by the end of this financial year. The underspend in property maintenance is not expected at the end of the year.
- 5.7 Plant and vehicle costs continue to show an underspend due to lower fuel costs and usage.
- 5.8 The supplies and services budgets are showing an underspend. Much of this is budgetary timing. There is a £10k saving in insurance fees and a £7k reduction in cross-border charges than those expected. We expect the underspend in postage, printing, and copier charges to remain circa £50k as we continue with new ways of working.
- 5.9 The other income is above budget, which is partially down to a timing issue but also because the income from Cambridgeshire and Peterborough Local Resilience Forum and East of England Ambulance Service for the sharing of two Community Welfare Officers was not budgeted as it was not confirmed at the time of the budget setting [circa £72k to date].

6. Update - Capital Expenditure and Financing

- 6.1 The revised capital programme, together with spending to date, is shown in the table contained within Appendix 2.
- 6.2 This budget covers the purchase of operational and non-operational vehicles. The purchase of new vehicles is in line with the revised fleet and sustainability strategies. Activity this financial year includes calling-off and rolling out 13 of the 22 new hybrid flexi Officer vehicles and three new fire appliances.
- 6.3 This property budget covers the maintenance and refurbishment of existing properties across the entire estate with a focus on sustainability and addressing how to deal with contaminants and factors highlighted in the condition surveys. The largest project for 2024/25 and going into 2025/26 is the refurbishment of St Neots station.
- 6.4 The IT and communications capital budget covers the purchase of major IT systems, hardware and the upgrade of communications equipment. Tablets have

been rolled out, replacing obsolete equipment so improving productivity, as well as upgrading some key software.

- 6.5 The equipment expenditure relates to rescue equipment, thermal cameras and breathing apparatus washing machines. The department is currently reviewing options for treating contaminants. The rescue equipment for the three new fire appliances was purchased at the end of the last financial year. The spend to date is for the radio communications equipment for the new Officer vehicles.
- 6.6 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 £14.8m on deposit; in July an additional up-front pension funding of £6m was received from the Home Office in readiness for the expected pension payments relating to the Matthew’s second options’ exercise (On-Call back-dating pension to original start date) and McCloud pensions remedy (age discrimination case affecting both wholetime and On-Call firefighters); outgoing payments are expected from October onwards. Every July the Authority receives approximately £4m from the Home Office to fund the firefighter pension scheme deficit and as such this cash is utilised during the year. A summary table of this position is shown in Appendix 3.

7. Mid-Year Treasury Management Review

- 7.1 A mid-year Treasury Management review (Appendix 4) has been prepared in compliance with CIPFA’s Code of Practice on Treasury Management. It provides Members with, amongst other information, an economic update for the first half of the 2024/25 financial year.

BIBLIOGRAPHY

Source Documents	Location	Contact Officer
Fre Authority Reports and Minutes – various Revenue and Capital Budget Position 2024/25 Treasury Management Mid-Year Review 2024/25	Hinchingbrooke Cottage Brampton Road Huntingdon	Ursula Bird Assistant Director Finance 07900 267912 ursula.bird@cambsfire.gov.uk

Description	Paragraph	Revised Budget	Budget To Date	Actual To Date	Variance
		£'000	£'000	£'000	£'000
EMPLOYEE EXPENDITURE					
Operational Wholetime	5.1	16,570	12,400	12,463	64
Operational On-Call	5.2	3,657	2,786	2,712	(74)
Operational Control	5.3	2,075	1,564	1,518	(46)
Operational Other	5.1	924	693	691	(2)
Support Mgt & Admin	5.4	7,945	6,113	5,986	(127)
Support Mechanics	5.4	310	233	192	(41)
Support Caretakers/Handymen	5.4	227	170	167	(3)
Other Employee Costs	5.5	1,899	1,523	1,327	(196)
		33,606	25,482	25,057	(425)
PREMISES EXPENDITURE					
Insurance		45	45	42	(4)
Utilities - Gas, Electric, Water, Oil		736	552	383	(168)
Cleaning & Waste Management		51	43	47	4
Business Rates		898	898	988	90
Property maintenance (inc. service		572	490	414	(76)
Other - rents, offices furniture &		69	60	56	(3)
	5.6	2,371	2,087	1,931	(156)
TRANSPORT AND PLANT EXPENDITURE					
New Operational Equipment &		112	87	116	30
BA, Operational Equipment Maintenance &		230	173	116	(56)
Fleet Fuel		441	331	249	(81)
Fleet Maintenance (inc. Tax & MOTs &		255	192	245	53
Fleet Insurance		144	144	135	(9)
	5.7	1,183	926	863	(64)
SUPPLIES AND SERVICES EXPENDITURE					
Finance charges, Audits, Other insurance,		367	235	143	(92)
Community Safety, Fire Protection &		208	162	129	(34)
Hired support, Consultancy & Professional		738	610	485	(125)
Cross Border Activity Costs		90	0	(7)	(7)
Project Programme Costs		104	81	56	(25)
IT hardware and software, inc.		1,492	1,198	1,189	(9)
Postage, Printing & Copier expenses		103	85	37	(48)
Telecommunications, Airwaves, Mobilising		1,080	822	683	(139)
Subscriptions		79	63	63	(0)
Other		45	30	23	(7)
	5.8	4,307	3,286	2,800	(485)
CONTROLLABLE EXPENDITURE		41,467	31,782	30,651	(1,131)
Other Income					
Secondments Income		(92)	(69)	(69)	0
Shared Services & Contributions (Fire		(1,567)	(930)	(1,011)	(81)
Other Services Income		(290)	(241)	(264)	(23)
Non-NNDR Government Grants		(1,936)	(1,695)	(1,695)	0
	5.9	(3,886)	(2,934)	(3,039)	(104)
NET CONTROLLABLE EXPENDITURE		37,582	28,848	27,613	(1,235)

Capital Resources Summary							
Capital Expenditure/Funding Type	Para	Original Budget	Carry forwards	Revised Budget	Actual		
					Expenditure	Committed	
Vehicles	6.2	£ 1,859,000	£ 1,407,000	£ 3,266,000	£ 1,087,000	£ 300,000	
Property	6.3	£ 1,969,000	£ 840,000	£ 2,809,000	£ 281,000	£ 1,943,000	
ICT	6.4	£ 374,000	£ 294,000	£ 668,000	£ 336,000	£ -	
Equipment	6.5	£ 189,000	£ 54,000	£ 243,000	£ 19,000	£ 17,000	
Total		£ 4,391,000	£ 2,595,000	£ 6,986,000	£ 1,723,000	£ 2,260,000	
Capital Receipts Reserve		£ 2,699,000		£ 2,699,000	£ 133,000	£ -	
Loan/Borrowing		£ 692,000	£ 2,195,000	£ 2,887,000	£ 1,470,000	£ 980,000	
Application of reserves		£ 1,000,000	£ 400,000	£ 1,400,000	£ 120,000	£ 1,280,000	
Revenue Contribution				£ -			
				£ -			
		£ 4,391,000	£ 2,595,000	£ 6,986,000	£ 1,723,000	£ 2,260,000	

Deposits and Borrowing Summary							
		Start	End	Amount	%	Days	Interest
Fixed Term Deposits							
Standard Chartered - Sustainable Deposit		22/11/2024	21/11/2025	£1,000,000.00	4.65	364	£46,372.60
SMBC Bank international Plc		25/10/2024	24/01/2025	£2,000,000.00	4.82	91	£24,033.97
Lloyds Bank Corporate Markets (NRFB)		25/07/2024	24/01/2025	£1,000,000.00	5.12	183	£25,670.14
Lloyds Bank - Direct Investment		25/11/2024	25/02/2025	£2,000,000.00	4.66	92	£23,491.51
SMBC Bank international Plc		25/09/2024	24/01/2025	£1,000,000.00	4.87	121	£16,144.38
SMBC Bank international Plc		05/08/2024	05/02/2025	£1,000,000.00	4.97	184	£25,054.25
Lloyds Bank Corporate Markets (NRFB)		25/06/2024	02/01/2025	£1,500,000.00	5.19	191	£40,737.95
				£9,500,000.00			
Call account							
Bank of Scotland		current account		£ -	2%		
Santander (instant access)				£ 200.78	2.63%		
Bank of Scotland		0 Day treasury call account		£ 2,034,201.55	4.88%		
				£ 2,034,402.33			
Barclays Deposit				£ 2,099,520.00	3.75%		
Total Deposits				£ 13,633,922.33			
Borrowings							
PWLB		08/03/2007	08/03/2053	£1,700,000	4.25%		
PWLB		01/08/2007	01/08/2053	£1,500,000	4.55%		
PWLB		15/06/2021	14/06/2071	£2,500,000	1.89%		
Total Borrowings				£5,700,000			
Net investments/(borrowings)				£7,933,922			