



Meeting	Strategic Board	Agenda Item	5b
Meeting Date	21 December 2020		
Report Author:	Neil Cross – Chief Financial Officer		
Presented By	Neil Cross – Chief Financial Officer		
Subject	Budget 2021-22 – Supplementary Information		
Type of Report:	Information		

BACKGROUND

1. The Police, Fire and Crime Commissioner requested that some supplementary information be provided to support the Budget 2021-22 Strategic Paper.

The supplementary information requested is:

- a. To model the impacts of a 0% and 1% precept change.
- b. A summary of the investment being made in Fire Protection.

PRECEPT SCENARIOS

2. The existing precept is £73.89 for a Council Tax Band D property. Table 1 below shows the impacts of the different precept scenarios.

This indicates that a 1% increase in the precept, equates to £0.48m on additional Council tax funding.

The proposed Income and Expense budget for 2021-22 has been updated in Table 2 below, to take account of the various precept scenarios. All other budget line items are consistent with the Budget 2021-22 being presented in this meeting.

The contribution from the general fund reserve will range from £2.2m for a 0% precept change to £1.3m for a 1.99% increase in the precept.

Table 1 – Precept Options

	0% Precept Increase	1% Precept Increase	1.99% Precept Increase
Council Tax (Band D)	£73.89	£74.63	£75.36
Tax Base	657,422	657,422	657,422
Council Tax Precept	£48,576,912	£49,063,404	£49,541,163
Impact of Precept Change	£0	£486,492	£964,252

Table 2 – Statement of Income and Expense

Description	Current Budget 2020-21 £'000s	Forecast 2020-21 £'000s	Impact of Precept Variations		
			No Precept Increase	1% Precept Increase	1.99% Precept Increase
	Budget 2021-22 £'000s	Budget 2021-22 £'000s	Budget 2021-22 £'000s	Budget 2021-22 £'000s	Budget 2021-22 £'000s
Wholetime Firefighters	34,633	34,859	34,340	34,340	34,340
On Call Firefighters	6,893	6,773	7,081	7,081	7,081
Control	1,368	1,586	1,568	1,568	1,568
Support Staff	14,715	14,674	15,075	15,075	15,075
Total Employment Costs	57,609	57,892	58,063	58,063	58,063
Support Costs	2,060	1,409	2,148	2,148	2,148
Premises & Equipment	10,528	11,198	10,024	10,024	10,024
Other Costs & Services	3,268	2,971	3,278	3,278	3,278
Ill health pension costs	2,276	2,276	2,276	2,276	2,276
Financing Items	6,365	6,061	6,215	6,215	6,215
Total Other Costs	24,496	23,915	23,941	23,941	23,941
Investment in Productivity Improvement	-	-	1,151	1,151	1,151
Gross Expenditure	82,106	81,807	83,155	83,155	83,155
Specific Government Grants Income	(6,188)	(7,606)	(6,387)	(6,387)	(6,387)
Operational income	(1,351)	(992)	(974)	(974)	(974)
Net Expenditure	74,567	73,209	75,794	75,794	75,794
Funding					
Revenue Support Grant	(8,473)	(8,473)	(8,473)	(8,473)	(8,473)
National Non-Domestic Rates	(16,519)	(16,519)	(16,519)	(16,519)	(16,519)
Council Tax Collection Account	(400)	(400)	(400)	(400)	(400)
Council Tax Precept	(47,851)	(47,851)	(48,577)	(49,063)	(49,541)
Council Tax Collection impact	-	-	1,126	1,126	1,126
Net Funding	(73,243)	(73,243)	(72,843)	(73,329)	(73,807)
Contributions to/(from) General Fund	(1,324)	34	(2,273)	(1,786)	(1,309)
Contributions to/(from) Earmarked Reserves	-	-	(678)	(678)	(678)
Total Contribution to/(from) Reserves	(1,324)	34	(2,951)	(2,464)	(1,987)
Total Funding	(74,567)	(73,209)	(75,794)	(75,793)	(75,794)

INVESTMENT IN FIRE PROTECTION

3. Investment in Fire Protection is a key strategic objective of Essex County Fire and Rescue Service and in particular delivering on the Building Risk Review and ensuring the Service can respond to the outcomes of the Grenfell Inquiry.

The Fire protection budget for 2021-22 is shown in Table 3 below. The total budget is for £2.65m, with forecasted spend for 2020-21 of £2.17m.

This results in an underspend of £0.48m, being 10 FTE headcounts, which have not been recruited and is shown in Table 4 below.

We are actively seeking to recruit these critical posts, which will enable the service to work towards meeting the strategic objectives on Fire Protection. Therefore, there is not the opportunity to make significant staff cost savings in year without impacting on this priority.

Table 3 – Fire Protection Budget 2021-22

Description	Current Budget 2020-21 £'000s	Forecast 2020-21 £'000s	Budget 2021-22 £'000s	Variance	Variance
				adv/(fav) from 2020-21 Forecast £'000s	from 2020-21 Forecast %
Employment costs					
Wholetime Pay	1,123	684	1,123	439	64.1%
Wholetime Nat Ins	124	78	127	48	61.3%
Wholetime Employer Pensions	321	207	317	109	52.8%
Wholetime Firefighters	1,568	970	1,566	596	61.5%
Support Staff Pay	728	927	803	(125)	(13.4%)
Support Staff Nat Ins	68	90	92	2	2.6%
Support Staff Employer Pensions	141	161	152	(9)	(5.7%)
Support Staff	937	1,178	1,047	(131)	(11.1%)
Total Employment Costs	2,505	2,148	2,613	465	21.6%
Mileage Costs	11	4	10	6	141.5%
Travel & Subsistence	11	4	10	6	141.5%
Other Costs & Services					
Fire Prevention Support	35	13	15	2	19.6%
Subscriptions - Corporate	0	9	16	7	77.8%
Establishment Expenses	35	22	31	9	43.9%
Gross Expenditure	2,550	2,174	2,654	480	22.1%

Table 4 – Fire Protection FTE Headcount 2021-22

	Budget 2020-21	Forecast 2021-22	Budget 2021-22	Variance adv/(fav) from 2020-21 Forecast	Variance from 2020-21 Forecast %
Grey Book	26.0	14.0	26.0	(12.0)	(85.7%)
Green Book	26.0	28.1	26.5	1.6	5.7%
Total	52.0	42.1	52.5	(10.4)	(24.7%)