

ESSEX POLICE, FIRE AND CRIME COMMISSIONER
FIRE & RESCUE AUTHORITY
Essex County Fire & Rescue Service



Meeting	Fire & Rescue - Performance and Resources Board	Agenda Item	
Meeting Date		Report Number	
Report Author:	Beth Blackburn, Finance Business Partner		
Presented By	Neil Cross - Chief Finance Officer		
Subject	Budget Review - July 2021		
Type of Report:	Information		

SUMMARY

This paper reports on expenditure against budget as at July 2021 and identifies and comments on major budget variations. In addition the report includes key indicators that act as lead indicators for expenditure across the Authority.

RECOMMENDATIONS

Fire & Rescue - Performance and Resources Board is asked to:

- 1 - Note the position on income and expenditure for Year to Date compared to the Budget.
- 2 - Note the capital expenditure spend against budget for period to July 2021

Executive Summary



Results for the period to July 2021

There was a surplus of £269k in July bringing the YTD total spend to a surplus of £991k (with a Business as usual (BAU) surplus of £886k).

Total pay costs YTD show an overspend of £394k, which after £406k of unbudgeted Earmarked Reserve costs, shows the BAU underspend of £13k.

Total non pay costs show £3k underspend, which includes £134k of Covid costs and £195k of unbudgeted Earmarked Reserve spend and a continuing BAU underspend of £332k. This mainly relates to underspend YTD in areas like community safety and home safety along with lower travel costs.

The prior year actuals have been updated to reflect the On Call overtime and Capital Finance Charge that were put through as period 13 entries so that they align with the phasing adjustments in this year's financials.

Forecast

A forecast has been updated as of Q1 and key movements have been included in a waterfall with further detail. The latest projection shows a surplus in general fund position of £92k.

When preparing the forecast, unbudgeted projects which utilise Earmarked Reserves funding have not had their costs projected forward. The breakdown of these projects will be included in a future finance pack to show the impact on Earmarked Reserves, however, these will not impact the position on the General Reserves funds.

Balance Sheet Statement and Cashflow Forecast

The Balance Sheet report on page 8 shows the key monthly and year to date movements.

- Cash and cash equivalents have increased to £31m due to the payment of the firefighters pension grant in July.
- The grant payment also led to a reduction in short term debtors to £3.3m and an increase in grants received in advance to £9.2m, as the grant is paid in advance of payments to scheme members.
- The minimum revenue provision has been accrued in the month, flowing through to the capital adjustment account. This was offset by disposal adjustments.

The Cashflow Forecast on page 9 shows the forecast cash position of the authority for the next twelve months. As explained above, the firefighters pension grant resulted in a cash surplus in July, which resulted in a peak at £31m.

Capital

The timing issues for the delivery of the 10 new fire appliances that are currently on order will delay the costs until March 2022, the impact has been included in the forecast.

A property previously used as Day Crewed housing was sold in the month for £338k, this is the third property sale in the year with total sales for 2021/22 being £934k. A total of £2m has been received on completion of the sale of 8 properties to date.

Other

The FTE report shows the shortfall of FTEs in On Call of 39.7 and Prevention & Protection of 12.18. These two areas account for the majority of the staffing shortfall of 48.3 overall.

There were no Single Tender Actions in July.

YTD Summary Income and Expenditure Statement to July 2021



Prior Year YTD Actuals £'000s	Prior year YTD Budget £'000s	Prior Year Variance (Actuals Vs Budget)	Description	BAU YTD Actual £'000s	COVID £'000s	Earmarked Projects £'000s	YTD Actual £'000s	BAU YTD Budget £'000s	COVID Budget £'000s	Earmarked Projects Budget £'000s	YTD Budget £'000s	Budget Vs Actuals £'000s	Variance %	Budget Vs BAU Actuals £'000s	Variance %
11,578	11,746	167	Wholetime Firefighters	11,507	-	115	11,622	11,568	-	93	11,661	39	0%	61	1%
1,813	1,926	113	On Call Firefighters	2,353	-	-	2,353	2,292	-	-	2,292	(61)	(3%)	(61)	(3%)
498	470	(28)	Control	511	-	-	511	522	-	-	522	11	2%	11	2%
4,634	4,757	123	Support Staff	4,923	1	414	5,338	4,926	-	30	4,956	(382)	(8%)	3	0%
18,523	18,899	375	Total Employment Costs	19,294	1	528	19,824	19,307	-	123	19,430	(394)	(2%)	13	0%
505	723	218	Support Costs	643	30	62	735	715	-	-	715	(20)	(3%)	72	10%
3,704	3,559	(145)	Premises & Equipment	3,218	93	133	3,445	3,341	-	-	3,341	(103)	(3%)	123	4%
781	1,095	315	Other Costs & Services	991	11	-	1,002	1,089	-	-	1,089	87	8%	98	9%
887	859	(28)	Ill health pension costs	726	-	-	726	761	-	-	761	34	5%	34	5%
1,855	1,861	6	Financing Items	2,066	-	-	2,066	2,072	-	-	2,072	6	0%	6	0%
7,732	8,097	365	Total Other Costs	7,645	134	195	7,974	7,977	-	-	7,977	3	0%	332	4%
-	-	-	Investment in productivity improvement	-	-	-	-	(0)	(0)	(0)	-	-	-	-	-
26,255	26,996	741	Gross Expenditure	26,939	134	724	27,798	27,284	(0)	123	27,407	(391)	(1%)	345	1%
(3,023)	(2,063)	960	Specific Govt. Grants Income	(2,413)	(104)	-	(2,517)	(2,129)	-	-	(2,129)	389	(18%)	285	(13%)
(469)	(450)	18	Operational income	(470)	-	-	(470)	(325)	-	-	(325)	145	(45%)	145	(45%)
22,764	24,483	1,719	Net Expenditure	24,056	31	724	24,811	24,831	(0)	123	24,953	143	1%	774	3%
			Funding												
(4,365)	(4,365)	-	Revenue Support Grant	(4,389)	-	-	(4,389)	(4,389)	-	-	(4,389)	0	(0%)	0	(0%)
(5,664)	(5,664)	-	National Non-Domestic Rates	(5,648)	-	-	(5,648)	(5,650)	-	-	(5,650)	(2)	0%	(2)	0%
(162)	(188)	(27)	Council Tax Collection Account	(24)	-	-	(24)	(65)	-	-	(65)	(41)	63%	(41)	63%
(14,878)	(14,871)	8	Council Tax Precept	(14,972)	-	-	(14,972)	(14,819)	-	-	(14,819)	153	(1%)	153	(1%)
(4)	11	15	Council Tax Collection Impact	(13)	-	-	(13)	(11)	-	-	(11)	2		2	
(25,072)	(25,077)	(4)	Net Funding	(25,046)	-	-	(25,046)	(24,934)	-	-	(24,934)	112	(0%)	112	(0%)
(195)	-	195	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	Cont'ns to/(from) Earmarked Reserves	0	(31)	(726)	(756)	-	-	(123)	(123)	634	(516%)	(0)	0%
(195)	-	195	Total Contribution to/(from) Reserves	0	(31)	(726)	(756)	-	-	(123)	(123)	634	(516%)	(0)	0%
(25,268)	(25,077)	191	Total Funding	(25,046)	(31)	(726)	(25,802)	(24,934)	-	(123)	(25,056)	746	(3%)	112	(0%)
(2,308)	(594)	1,715	Funding Gap / (Surplus)	(989)	(0)	(2)	(991)	(103)	(0)	(0)	(103)	888		886	

Period Summary Income and Expenditure Statement to July 2021



Prior Year Period Actuals £'000s	Prior year Period Budget £'000s	Prior Year Variance (Actuals Vs Budget)	Description	BAU Period Actual £'000s	COVID £'000s	Earmarked Projects £'000s	Period Actual £'000s	Period Budget £'000s	Budget Vs Actuals £'000s	Variance %	Budget Vs BAU Actuals £'000s	Variance %
2,899	2,879	(20)	Wholetime Firefighters	2,883	-	37	2,920	2,864	(57)	(2%)	(20)	(1%)
535	563	28	On Call Firefighters	590	-	-	590	570	(20)	(3%)	(20)	(3%)
125	118	(7)	Control	127	-	-	127	131	4	3%	4	3%
1,162	1,192	30	Support Staff	1,287	-	17	1,304	1,240	(65)	(5%)	(48)	(4%)
4,721	4,751	30	Total Employment Costs	4,888	-	54	4,942	4,804	(138)	(3%)	(84)	(2%)
97	181	84	Support Costs	160	27	29	216	179	(37)	(21%)	19	11%
855	890	35	Premises & Equipment	739	77	5	820	835	15	2%	97	12%
249	281	32	Other Costs & Services	299	-	-	299	279	(20)	(7%)	(20)	(7%)
174	177	3	Ill health pension costs	168	-	-	168	177	9	5%	9	5%
464	465	1	Financing Items	517	-	-	517	518	1	0%	1	0%
1,838	1,994	155	Total Other Costs	1,882	104	33	2,019	1,988	(31)	(2%)	106	5%
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-
6,560	6,745	186	Gross Expenditure	6,770	104	88	6,961	6,793	(169)	(2%)	23	0%
(613)	(516)	97	Specific Govt. Grants Income	(597)	(104)	-	(701)	(532)	169	(32%)	65	(12%)
(128)	(113)	16	Operational income	(137)	-	-	(137)	(81)	56	(69%)	56	(69%)
5,818	6,117	299	Net Expenditure	6,036	(0)	88	6,123	6,179	56	1%	144	2%
Funding												
(513)	(513)	-	Revenue Support Grant	(516)	-	-	(516)	(516)	(0)	0%	(0)	0%
(1,476)	(1,476)	-	National Non-Domestic Rates	(1,471)	-	-	(1,471)	(1,471)	-	-	-	-
(39)	(48)	(9)	Council Tax Collection Account	(5)	-	-	(5)	(5)	-	-	-	-
(4,173)	(4,172)	1	Council Tax Precept	(4,313)	-	-	(4,313)	(4,160)	152	(4%)	152	(4%)
(2)	3	5	Council Tax Collection Impact	-	-	-	-	(3)	(3)		(3)	
(6,203)	(6,206)	(3)	Net Funding	(6,305)	-	-	(6,305)	(6,156)	149	(2%)	149	(2%)
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-
-	-	-	Cont'ns to/(from) Earmarked Reserves	-	-	(88)	(88)	(123)	(35)	29%	(123)	100%
-	-	-	Total Contribution to/(from) Reserves	-	-	(88)	(88)	(123)	(35)	29%	(123)	100%
(6,203)	(6,206)	(3)	Total Funding	(6,305)	-	(88)	(6,392)	(6,278)	114	(2%)	26	(0%)
(385)	(89)	296	Funding Gap / (Surplus)	(269)	(0)	(0)	(269)	(99)	170		170	



Operational Income

Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(10,749)	(10,004)	745	(7%)	(30,006)	
Childcare Vouchers	(11,938)	(21,668)	(9,730)	45%	(65,004)	
Canteen Income	(8,543)	(16,668)	(8,125)	49%	(50,004)	
Sale of Vehicle Spares	(13,796)	(8,332)	5,464	(66%)	(25,000)	
Aerial Sites	(45,252)	(51,884)	(6,632)	13%	(155,652)	
Solar Panel Income	(11,839)	(16,668)	(4,829)	29%	(50,000)	
Hydrant Tests	(5,073)	(30,000)	(24,927)	83%	(90,000)	
Lease Cars - Employee Contributions	(1,911)	(5,000)	(3,089)	62%	(15,000)	
Service Charges	(189)	(200)	(11)	5%	(600)	
Secondments	(68,890)	0	68,890	0%	0	
Community Safety General	5,790	0	(5,790)	0%	0	
Labour Credit	(18,679)	(18,332)	347	(2%)	(55,000)	
Section 13/16	(25,152)	(15,000)	10,152	(68%)	(45,000)	
Provision of Hire Vehicles & Equipment	(302)	(668)	(366)	55%	(2,000)	
Interest Received Short Term Investements	(1,328)	(8,332)	(7,004)	84%	(24,996)	
Community Safety Youth Work	(10,090)	(33,332)	(23,242)	70%	(99,998)	
Shared Services Income	(228,365)	(60,668)	167,697	(276%)	(182,001)	
Reimburements from EFA(T)	0	0	0	0%	0	
Other Miscellaneous Income	(13,335)	(28,168)	(14,833)	53%	(84,499)	
Total Operational Income	(469,640)	(324,924)	144,716	(45%)	(974,760)	

Specific Government Grants Income

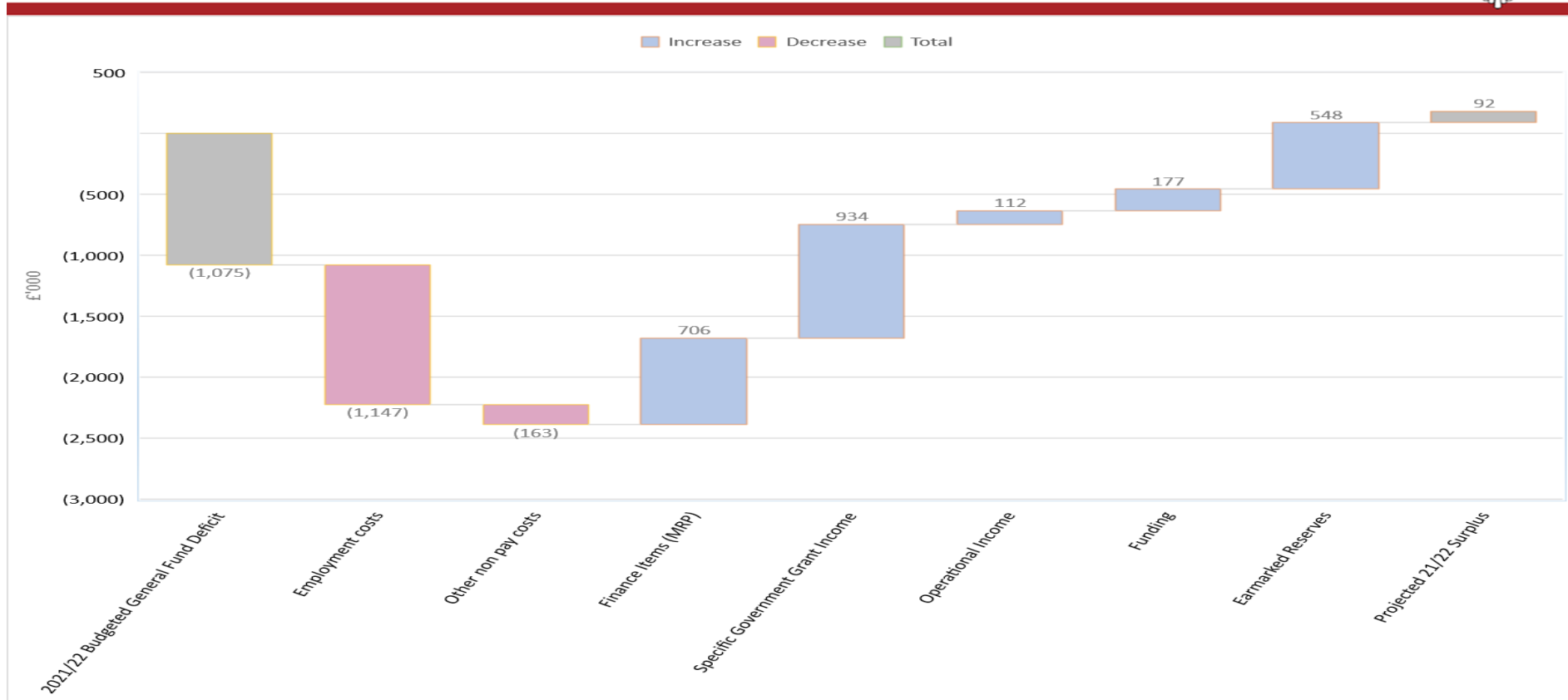
Specific Government Grants	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Addn Pens Grant Accr	(1,172,182)	(1,172,182)	0	0%	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution
DCLG BRR 2021-22	(457,437)	(446,760)	10,677	(2%)	(1,340,280)	Business Rate relief
USAR Grant 2021-22	(285,520)	(285,727)	(207)	0%	(856,560)	
Firelink Grant 2021-22	(214,089)	(220,391)	(6,302)	3%	(662,258)	Communications Network and Budgeted New Risk Mosaic programme funding which isnt due to happen.
Local council tax support	(249,366)	0	249,366	0%	0	£62k released monthly
Other Grant Income	(138,815)	(3,833)	134,982		(11,500)	Budget includes £11.5k for Prevention (funding from PFCC for 1 FTE). Actuals include £103k of Covid 19 funding and £32k of the Grenfell Grant (protection uplift and building risk review) has been released to offset the YTD spend.
Subtotal-Govt Grants	(2,517,409)	(2,128,893)	388,516	18%	(6,387,143)	

FTE Establishment Summary to July 2021



Station/Dept	Wholetime			On Call			Control			Support				Total		
	A C T U A L	B U D G E T	V a r	A C T U A L	B U D G E T	V a r	A C T U A L	B U D G E T	V a r	A C T U A L	A g e n c y	B U D G E T	V a r	A C T U A L	B U D G E T	V a r
Wholetime/Combined Station	470.00	480.00	10.00	20.25	30.00	9.75	-	-	-	-	-	-	-	490.25	510.00	19.75
Wholetime Recruits	12.00	-	- 12.00	-	-	-	-	-	-	-	-	-	-	12.00	-	- 12.00
On-Call Station	1.00	-	- 1.00	355.50	396.25	40.75	-	-	-	-	-	-	-	356.50	396.25	39.75
Day Crewed Stations	26.00	26.00	-	39.28	30.75	- 8.53	-	-	-	-	-	-	-	65.28	56.75	- 8.53
Operations - USAR	17.00	16.00	- 1.00	-	-	-	-	-	-	-	-	-	-	17.00	16.00	- 1.00
Operational Response	526.00	522.00	- 4.00	415.03	457.00	41.97	-	-	-	-	-	-	-	941.03	979.00	37.97
Prevention & Protection BAU	18.00	40.00	22.00	-	-	-	-	-	-	64.32	-	54.50	- 9.82	82.32	94.50	12.18
Control	2.00	1.00	- 1.00	-	-	-	34.54	34.69	0.15	2.57	-	2.57	-	39.11	38.26	- 0.85
Support Dept.																
Catering	-	-	-	-	-	-	-	-	-	3.31	-	3.60	0.29	3.31	3.60	0.29
Corp Risk & Bus Cont	-	-	-	-	-	-	-	-	-	2.00	-	2.00	-	2.00	2.00	-
Corporate Comms	-	-	-	-	-	-	-	-	-	13.00	-	13.00	0.00	13.00	13.00	0.00
Emergency Planning	1.00	2.00	1.00	-	-	-	-	-	-	2.00	-	3.00	1.00	3.00	5.00	2.00
External Secondments	1.00	2.00	1.00	-	-	-	-	-	-	1.00	-	0.49	- 0.51	2.00	2.49	0.49
Finance & Pay	-	-	-	-	-	-	-	-	-	16.28	-	16.61	0.33	16.28	16.61	0.33
Health & Safety	2.00	2.00	-	-	-	-	-	-	-	4.00	-	4.00	-	6.00	6.00	-
Human Resources	-	-	-	-	-	-	-	-	-	39.38	-	35.20	- 4.18	39.38	35.20	- 4.18
ICT	-	-	-	-	-	-	-	-	-	24.61	-	23.60	- 1.01	24.61	23.60	- 1.01
Innovation & Change	-	-	-	-	-	-	-	-	-	18.33	-	20.71	2.38	18.33	20.71	2.38
Operational Assurance	6.00	2.00	- 4.00	-	-	-	-	-	-	-	-	-	-	6.00	2.00	- 4.00
Operational Policy	6.00	9.00	3.00	-	-	-	-	-	-	3.00	-	3.00	-	9.00	12.00	3.00
Operational Training	34.00	29.00	- 5.00	-	-	-	-	-	-	11.00	-	12.00	1.00	45.00	41.00	- 4.00
Performance & Improvement	-	-	-	-	-	-	-	-	-	12.63	-	11.63	- 1.00	12.63	11.63	- 1.00
Police Collaboration	1.00	1.00	-	-	-	-	-	-	-	4.00	-	2.00	- 2.00	5.00	3.00	- 2.00
Property Services	-	-	-	-	-	-	-	-	-	11.42	-	12.61	1.19	11.42	12.61	1.19
Purchasing & Supply	-	-	-	-	-	-	-	-	-	11.00	-	11.00	-	11.00	11.00	-
Service Leadership Team	4.00	3.00	- 1.00	-	-	-	-	-	-	4.00	-	5.00	1.00	8.00	8.00	-
Station Group Management	36.00	39.00	3.00	-	-	-	-	-	-	10.49	-	10.49	0.00	46.49	49.49	3.00
Technical Services	2.00	2.00	-	-	-	-	-	-	-	5.41	-	5.41	0.00	7.41	7.41	0.00
Water Services	-	-	-	-	-	-	-	-	-	7.57	-	8.57	1.00	7.57	8.57	1.00
Workshops Engineering	-	-	-	-	-	-	-	-	-	28.43	-	30.43	2.00	28.43	30.43	2.00
Workshops Management	-	-	-	-	-	-	-	-	-	6.81	-	8.81	2.00	6.81	8.81	2.00
Support Dept.'s	93.00	91.00	- 2.00	-	-	-	-	-	-	239.66	-	243.16	3.50	332.66	334.16	1.50
BAU Employees	639.00	654.00	15.00	415.03	457.00	41.97	34.54	34.69	0.15	306.55	0.00	300.23	- 6.32	1,395.12	1,445.92	50.80
Projects and/or Funded from Earmarked Reserves/ Specific Grants																
Grenfell Infrastructure Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICT Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Training Projects	5.00	5.00	-	-	-	-	-	-	-	1.00	-	2.00	1.00	6.00	7.00	1.00
Innovation & Change Projects	3.00	-	- 3.00	-	-	-	-	-	-	-	0.50	-	- 0.50	3.50	-	- 3.50
Earmarked Reserves, Projects, etc	8.00	5.00	- 3.00	-	-	-	-	-	-	1.00	0.50	2.00	0.50	9.50	7.00	- 2.50
All Employees	647.00	659.00	12.00	415.03	457.00	41.97	34.54	34.69	0.15	307.55	0.50	302.23	- 5.82	1,404.62	1,452.92	48.30

Movement from 2021/22 original Budget to 2021/22 Q1 Forecast



Key changes from 2021/22 Budget to Q1 Forecast:

- £1.1m Increase in Employment costs (£295k is funded from Earmarked Reserves for LGPS with additional BAU funding for the Grey book annual pay award (£650k) and £109k for unbudgeted Day Crewed Protection payments).
- £106k additional cleaning costs within other non pay costs (funded by the Covid Grant).
- £700k reduction in MRP (Appliances are not due to be purchased until 2022).
- Additional Specific Government Grant income (£134k of Covid Grant and £752k Local Council Tax support Grant).
- Operational income shows additional £167k of shared service income.
- £153k upside from prior year precept adjustments included in Funding.
- The Earmarked Reserves includes YTD actuals for project funded costs (£295k for LGPS, £192k for Innovation and transformation and £60k for ICT projects).

Balance Sheet - 31st July 2021



	31st July 2021 £000's	30th June 2021 £000's	31st Mar 2021 £000's	Variance Jun 2021 £000's	Variance Mar 2021 £000's
Property, plant & equipment					
Land and buildings	124,892	124,892	125,232	-	(340)
* Vehicles, plant & equipment	11,404	11,404	11,404	-	-
Assets under construction	1,137	1,032	751	106	387
Long term assets	137,433	137,328	137,387	106	47
Inventories	632	651	642	(18)	(10)
Short term debtors	3,307	10,629	6,363	(7,321)	(3,056)
Cash and cash equivalents	31,010	18,819	17,696	12,191	13,315
Assets held for sale	315	622	912	(307)	(597)
Current assets	35,265	30,721	25,612	4,544	9,653
* Short term borrowings	-	-	(250)	-	250
Short term creditors	(6,977)	(6,964)	(6,954)	(13)	(23)
Grants received in advance	(9,195)	(5,048)	(1,049)	(4,147)	(8,146)
Current liabilities	(16,172)	(12,013)	(8,253)	(4,160)	(7,920)
Long term borrowing	(24,500)	(24,500)	(24,500)	-	-
Provisions	(1,163)	(1,163)	(1,161)	(0)	(1)
* Pension liability - LGPS	(38,242)	(38,242)	(38,242)	-	-
Pension liability - FPS	(886,391)	(886,391)	(886,443)	-	52
Long term liabilities	(950,296)	(950,296)	(950,346)	(0)	51
NET LIABILITIES	(793,770)	(794,260)	(795,600)	490	1,830
Usable reserves					
General fund	5,342	5,074	4,351	268	990
Earmarked general fund reserves	12,624	12,812	13,481	(189)	(857)
Capital receipts reserve	10,602	10,297	9,669	305	932
Usable reserves	28,567	28,183	27,502	385	1,065
Unusable reserves					
Revaluation reserve	37,690	37,846	38,180	(157)	(490)
Capital adjustment account	68,604	68,342	67,401	262	1,203
* Holiday pay account	(828)	(828)	(828)	-	-
* Collection fund adjustment account	(3,170)	(3,170)	(3,170)	-	-
Pension reserve	(924,633)	(924,633)	(924,685)	-	52
Unusable reserves	(822,337)	(822,442)	(823,102)	106	765
TOTAL RESERVES	(793,769)	(794,260)	(795,600)	490	1,830

* Balances adjusted at year end only.

Key Movements

Long Term Assets:

Additions for the year flow through 'Assets under construction', which is monitored by the Asset board. Day crewed housing sales are reflected in the movement in land and buildings unless the asset was carried in assets held for sale at year end.

Current Assets:

- £12.8m pension grant received in the month, leading to a reduction in short term debtors and an increase in cash and cash equivalents.
- Assets held for sale reflect day crewed houses actively marketed at year end. This balance has reduced as house sales have completed.

Current Liabilities

- Short term borrowing is accrued at year end only.
- The balance of the Firefighter's Pension fund has been recognised in Grants in advance where funding has been paid in advance of pension payments.
- Funding in Grants in advance is released to income throughout the year.

Long-term Liabilities:

There have been no material movements in long term liabilities. This is adjusted at year end as part of the annual pension valuation.

The small movement in the year relates to ill health payments.

Reserves:

The movements in General and Earmarked Reserves tie back to the YTD Summary Income and Expenditure Statement on page 3 and reflect a transfer from Earmarked Reserves of £857k.

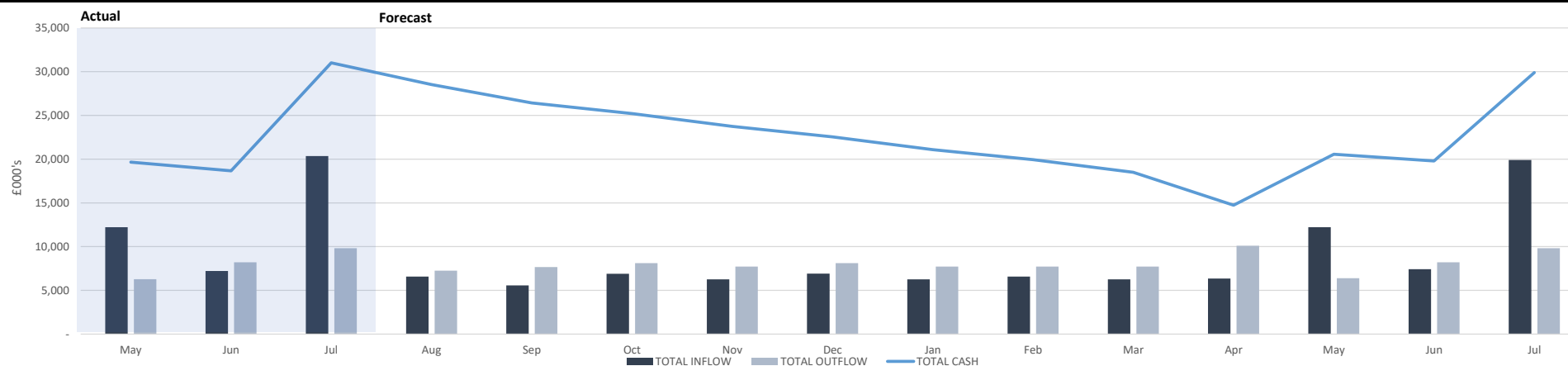
The largest balance in unusable reserves is the pension reserve that offsets the pension liability in 'long term liabilities'.

The Authority has continued to accrue for MRP charges, which is shown in the YTD movement in the capital adjustment account of £1,203k. This is the net of MRP charges of £1,650k offset by disposals adjustments of £447k.

The year to date reduction of £490k in the revaluation reserve is due to disposals, representing previously recognised gains on valuation.



Cashflow Forecast



COMMENTARY

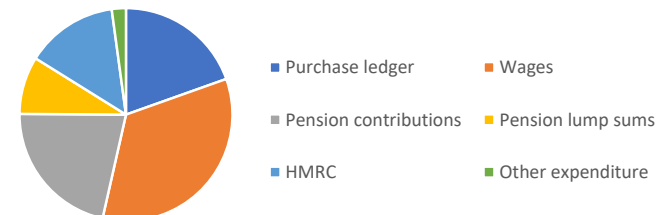
Total cash at the end of July was **£31m**. Key inflows and outflows for the month are summarised below:

- The Firefighters Pension grant was received totalling **£12.8m**. This grant is paid to fund the cost of the pension payroll throughout the year and forms part of the Pension Fund Account.
- Day crewed house sales totalled **£0.7m** in July. House sales to date are **£2.0m**, with a further **£3.5m** forecast over the next two years.
- Purchase ledger payments totalled **£1.2m** in the month - these costs are typically between £1-2m, so this is in line with expectation.
- £6m was invested with the Debt Management Office in the month, at a rate of 0.01%. The Finance Team are exploring additional investment opportunities in line with the agreed Treasury Management Policy.

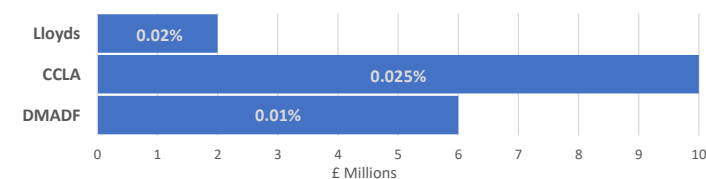
TREASURY MANAGEMENT INDICATORS

	Target	Actual	Explanation of Indicators
Credit risk indicator	A	AAA	The average credit rating of investments must be A or greater.
Liquidity risk indicator	£8.5m	£18m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	N/A	0.00%	The interest rates of investments are tracked on a regular basis.
Price risk indicator	£3.0m	£nil	The limit on the amount that can be invested beyond 12 months.
Refinancing rate indicator:			
<i>Under 12 months</i>	25%	0%	A large proportion of the Authority's debt expires within 5-10 years. The Finance team have reviewed the impact of early repayment, and found there would be no advantage of doing so. Public Works Loan Board (PWLB) debt requires full payment of interest up to the date of expiry.
<i>12 months and within 24 months</i>	10%	4%	
<i>24 months and within 5 years</i>	10%	8%	
<i>5 years and within 10 years</i>	40%	61%	
<i>10 years and within 15 years</i>	80%	27%	
<i>15 years and above</i>	100%	0%	

EXPENDITURE ANALYSIS



INVESTMENTS



Essex County Fire & Rescue Service - Capital Expenditure as at 31st July 2021



Capital	Budget 2021/22	Adjustment to forecast	Forecast - Last agreed	Adjustment to forecast	Forecast - July 2021*	Actual Spend
New Premises						
Service Workshops - New	250	-	250	-	250	-
Existing Premises						
Asset Protection	1,700	-	1,700	-	1,700	185
Asset Improvement Works Training Facilities Improvement	1,651	-	1,651	(95)	1,556	7
Asset Improvement Works - Shoeburyness	906	-	906	-	906	8
Total Property	4,507	-	4,507	(95)	4,412	200
Equipment	246	-	246	-	246	22
Information Technology						
Projects	583	-	583	-	583	11
Total Information Technology	583	-	583	-	583	11
Vehicles						
New Appliances	2,330	(2,330)	-	-	-	-
Other Vehicles	978	18	996	(8)	988	154
Total Vehicles	3,308	(2,312)	996	(8)	988	154
Total Capital Expenditure	8,643	(2,312)	6,331	(103)	6,228	387

Essex County Fire & Rescue Service - Capital Expenditure as at 31st July 2021



* To be agreed at asset board

Nominal Code		Asset Life	Forecast - Last agreed	Adjustment to Forecast	Forecast - July 2021*	Actual Spend	Commitments / Orders	Comments
B113 - Vehicles								
B113	Appliances (Pumping)	15	-	-	-	-	2,328,200	Delays to chassis delivery to March 2022 confirmed by PW
B113	ICU Internals	6	30,000	(30,000)	-	-	-	
B113	Light Vehicles	6	292,000	-	292,000	105,551	-	
B113	Off Road Vehicles	6	102,000	-	102,000	-	101,934	
B113	Officers Cars (Principal Officers)	4	111,000	-	111,000	26,250	27,868	
B113	Specialist rescue vehicle	6	100,000	-	100,000	-	-	
B113	Light Vans	6	248,000	-	248,000	22,102	-	
B113	Ramps	12	18,000	22,000	40,000	-	-	
B113	Ladders	12	94,500	-	94,500	-	8,253	
Total B113 - Vehicles			995,500	(8,000)	987,500	153,903	2,466,254	
B116 - Operational Equipment								
B116	B.A. Compressors	8	55,851	-	55,851	22,149	-	
B116	BA Contamination machine	8	80,000	-	80,000	-	-	
B116	Method entry equipment	8	30,000	-	30,000	-	-	
B116	Smoke curtains	8	30,000	-	30,000	-	-	
B116	Body warn CCTV	8	30,000	-	30,000	-	-	
B116	Fog spikes	8	20,000	-	20,000	-	-	
Total B116 - Operational Equipment			245,851	-	245,851	22,149	-	
Note: ICT Budget updated in line with the Digital & Data Strategy								
B114 - ICT Equipment								
B114	Rolling laptop refresh	3	53,333	-	53,333	-	-	Per D&D Strategy. D&D meeting discussed the requirements to produce business cases. Some orders have now been signed off so we will see expenditure starting to come through. Expenditure to date is to be COVID funded (252 analysis code).
B114	Rolling phone refresh	3	-	-	-	-	-	
B114	Apprentice laptops (business case agreed Dec)	3	32,400	-	32,400	-	-	
B114	Virtual servers	3	-	-	-	-	-	
B114	VOICE	3	215,000	-	215,000	11,095	46,549	
B114	ICCS/CAD Replacement - Control Project	7	282,150	-	282,150	-	-	Procurement of ICCS project imminent, which will provide a cost update. Note, we have ESMCP grant received in advance circ. £400k for this project.
Total B114 - ICT Equipment			582,883	-	582,883	11,095	46,549	



* To be agreed at asset board

Nominal Code		Asset Life	Forecast - Last agreed	Adjustment to Forecast	Forecast - July 2021*	Actual Spend	Commitments / Orders	Comments
B112 - Land & Building								
B112	Lexden Workshops Relocation	20	250,000	-	250,000	-	-	Initial consultancy and viability assessment.
Total B112 - Land & Building			250,000	-	250,000	-	-	
B117	Asset Improvement Works - Shoeburyness	20	905,814	-	905,814	7,628	54,293	Initial consultancy only - Progressing Decision Sheet sign off with PFCC.
B117	Asset Protection Works - Training Facilities:	20						
	Phase 1 - Chelmsford, Greys, Southend, SWF		212,012	341,988	554,000	6,530	22,426	16 weeks starting mid-July
	Phase 2 - Braintree, Brentwood		429,089	(196,089)	233,000	-	-	8 weeks starting mid-July
	Phase 3 - Harlow, Safron Waldon and Clacton		741,000	(241,000)	500,000	-	-	Planning due mid May, followed by 5 week tender. Starting mid-august.
	Witham TC WaH		70,000	-	70,000	-	-	Work commencing August
	Wethersfield TC room/Pilot scheme Grays		130,006	-	130,006	-	-	
	Deep lift pits		60,000	-	60,000	-	-	
	Consultancy		8,682	-	8,682	-	-	
Total B117 - Asset Improvement			2,556,603	- 95,101	2,461,502	14,158	76,719	
B118 - Asset Protection								
Projects carried forward from 20/21:								
B118	Colchester FP/WFS Offices	20	7,000	-	7,000	15,104	4,032	
B118	Orsett Appliance Bay	20	35,000	-	35,000	31,695	-	Per latest programme. Issue with gas connections that also link to the command building. Discussions with BG to restore pressure.
B118	Southend Boilers	20	22,000	-	22,000	16,179	-	
B118	Fire Alarms	20	5,000	55,000	60,000	-	-	
B118	Burnham AB Floor	20	35,000	(27,000)	8,000	18,749	-	Completed, to be invoiced imminently.
Projects commencing 21/22:								
B118	Dunmow Yard	20	140,000	-	140,000	-	-	Project manager has been off sick so there has been a delay to start.
B118	Great Baddow Windows	20	130,000	-	130,000	70,268	-	Uplift of £7k in July meeting.
B118	Kelvedon Park Pond Works	20	346,000	131,000	477,000	-	154,877	Waiting for exchange radiators to be imported before project start. Planned finish for October.
B118	Orsett - No time to lose	20	25,000	-	25,000	24,199	-	
B118	Rayleigh Parking	20	10,000	-	10,000	-	-	
B118	Harlow boilers	20	180,000	60,000	240,000	-	-	
B118	Baddow boilers	20	180,000	-	180,000	-	-	
B118	Chelmsford TC boilers	20	80,000	(50,000)	30,000	-	-	
B118	Grays Heater	20	25,000	25,000	50,000	-	-	
B118	Witham TC boiler	20	50,000	(15,000)	35,000	-	-	
B118	Harlow mains	20	35,000	25,000	60,000	-	-	
B118	Appliance bay floors (Halstead, Tollesbury, Weeley)	20	175,000	-	175,000	2,180	-	Need to confirm total cost with JD. Meeting on site on Friday 25 June to agree design/requirements.
B118	Witham TC offices	20	100,000	-	100,000	-	-	
B118	Epping part refurbishment	20	60,000	(60,000)	-	-	-	
B118	Waltham Abbey drill yard	20	60,000	-	60,000	-	-	
B118	Orsett Fra (50%)	20	-	240,000	240,000	-	-	
B118	Other	20	-	-	-	6,998	-	Loughton Drying (Complete), Maldon boilers (complete), electrical upgrades. Some accrual reversals to be posted.
	Provision for limited capacity **		-	(384,000)	(384,000)	-	-	
B118 - Asset Protection			1,700,000	-	1,700,000	185,371	158,909	
TOTAL FORECAST 2021-22			6,330,837	(103,101)	6,227,736	386,676	2,748,431	



BENEFITS AND RISK/ FINANCIAL IMPLICATIONS

The review of expenditure against the profiled budget is part of the overall financial control process of the Authority.

In exceptional circumstances it allows for budget virements to ensure that under spending against budget heads can be utilised to fund expenditure against other priorities.

If virements are not made there is a risk that the Authority will miss out on opportunities to improve performance and meet key objectives during the year.

The Authority's reserves are at the upper end of their target range and the Authority is able to fund short term fluctuations in activity from them when necessary.

The review of the management accounts is one control measure to mitigate the risk of overspending the Authority's budget for the year.

EQUALITY AND DIVERSITY IMPLICATIONS

There are no direct Equality or Diversity implications within this report

LEGAL IMPLICATIONS

There are no direct legal implications within this report.

HEALTH & SAFETY IMPLICATIONS

There are no direct Health and Safety implications within this report.

ACTIONS / NEXT STEPS

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of background documents – including appendices, hardcopy or electronic including any relevant link/s.	
Appendices: Q1 Forecast summary Single Tender Actions Covid Report Internal Audit Recommendations	
Proper Officer:	Chief Finance Officer to PFCC Fire & Rescue Authority
Contact Officer:	Neil Cross Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576020 Email: neil.cross@essex-fire.gov.uk



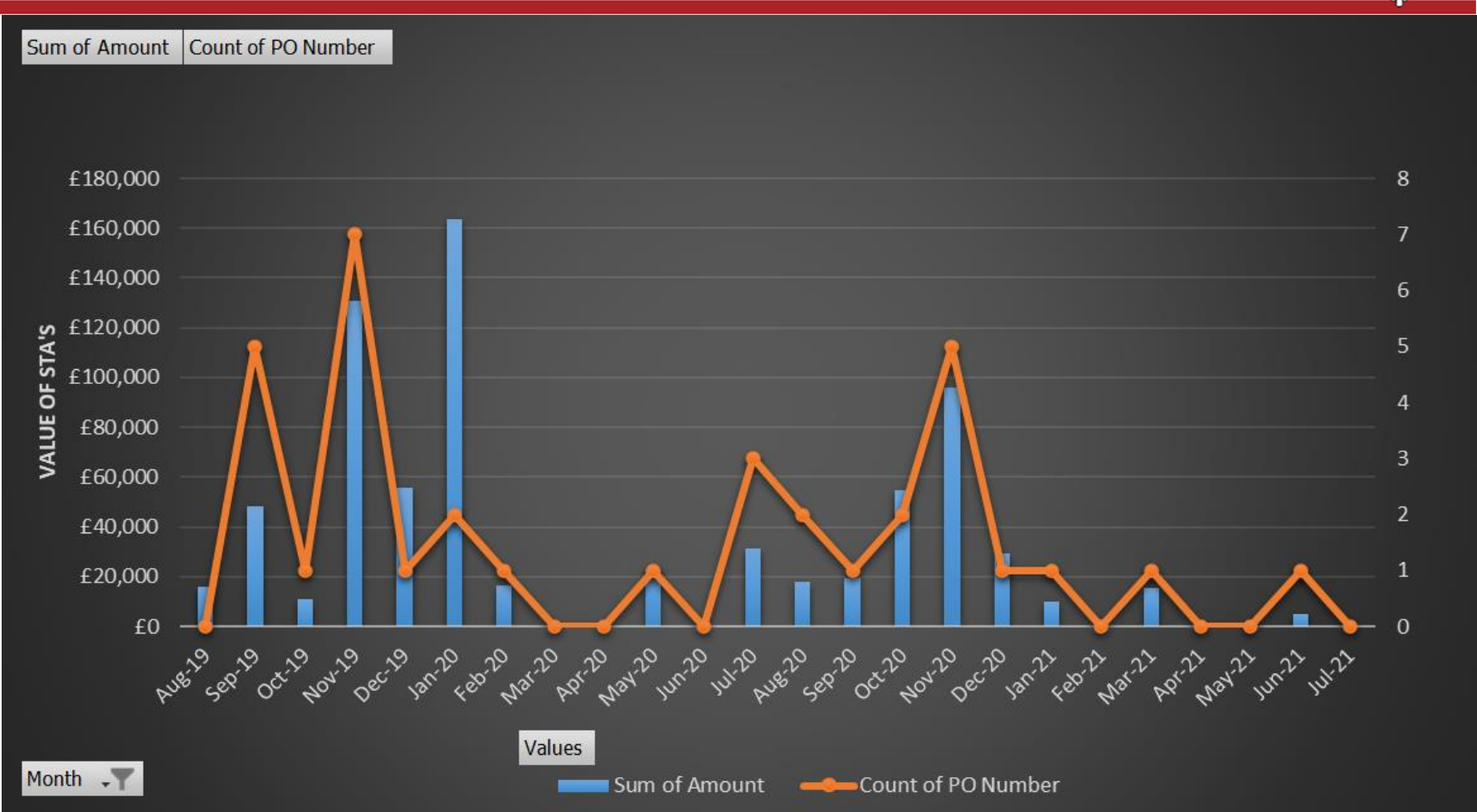
Appendices

2021/22 Q1 Forecast



Description	BAU Forecast £'000s	COVID Forecast £'000s	Earmarked Projects Forecast £'000s	Q1 Forecast £'000	BAU Budget £'000s	COVID Budget £'000s	Earmarked Projects Budget £'000s	2021 / 22 FY Budget £'000	Movement from Budget £'000	Variance %	Budget Vs BAU Forecast £'000s	Variance %
Employees												
Wholetime Firefighters	34,513	-	299	34,812	34,061	-	279	34,340	(472)	(1%)	(452)	(1%)
On-Call Firefighters	7,361	-	-	7,361	7,081	-	-	7,081	(280)	(4%)	(280)	(4%)
Control	1,582	-	-	1,582	1,568	-	-	1,568	(14)	(1%)	(14)	(1%)
Support Staff	14,972	1	483	15,455	14,986	-	89	15,075	(381)	(3%)	14	0%
Inter Department Cross Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Employment Costs	58,427	1	782	59,210	57,695	-	368	58,063	(1,147)	(2%)	(732)	(1%)
Other Service Expenditure												
Support Costs	1,888	30	310	2,228	1,838	-	310	2,148	(80)	(4%)	(50)	(3%)
Premises & Equipment	9,901	93	133	10,127	10,024	-	-	10,024	(103)	(1%)	123	1%
Other Costs & Services	3,280	11	-	3,291	3,278	-	-	3,278	(13)	(0%)	(2)	(0%)
Ill Health Pension costs	2,241	-	-	2,241	2,276	-	-	2,276	34	2%	34	2%
Financing Items	5,509	-	-	5,509	6,215	-	-	6,215	706	11%	706	11%
Productivity improvement investment	-	-	1,151	1,151	-	-	1,151	1,151	-	-	-	-
Total Other Costs	22,820	134	1,595	24,548	23,631	-	1,461	25,092	543	2%	810	3%
Gross Operating Expenditure	81,248	134	2,377	83,759	81,326	-	1,829	83,155	(604)	(1%)	78	0%
Government Grants Income	(7,186)	(134)	-	(7,320)	(6,387)	-	-	(6,387)	934	(15%)	799	(13%)
Operational income	(1,151)	-	-	(1,151)	(975)	-	-	(975)	177	(18%)	177	(18%)
Net Expenditure	72,910	(0)	2,377	75,287	73,965	-	1,829	75,794	507	1%	1,054	1%
Funding												
Revenue Support Grant	(8,520)	-	-	(8,520)	(8,520)	-	-	(8,520)	-	(0%)	0	(0%)
National Non-Domestic Rates	(16,517)	-	-	(16,517)	(16,519)	-	-	(16,519)	(2)	0%	(2)	0%
Council Tax Collection Account	(359)	-	-	(359)	(400)	-	-	(400)	(41)	10%	(41)	10%
Council Tax Precepts	(47,604)	-	-	(47,604)	(47,451)	-	-	(47,451)	153	(0%)	153	(0%)
NNDR surplus/deficit	(2)	-	-	(2)	-	-	-	-	2	-	2	-
Cont'ns to/(from) Earmarked Reserves	-	-	(2,379)	(2,377)	-	-	(1,829)	(1,829)	548	(30%)	-	-
Total Funding	(73,002)	-	(2,379)	(75,379)	(72,890)	-	(1,829)	(74,719)	660	(1%)	112	(0%)
Funding Gap/ (Surplus)	(92)	(0)	(2)	(92)	1,075	0	0	1,075	1,166	109%	1,166	109%

Single Tender Actions



There were no Single Tender Actions in the month for July 2021:

Value	Department	Supplier	Justification

Essex County Fire & Rescue Service
Jul-21
COVID-19 Incremental Cost Summary / PO Commitments / Forecast

INCOME

First Tranche of Covid 19 Emergency Funding - March 20
 Second Tranche of Covid 19 Emergency Funding - May 2020
 Third Tranche of Covid 19 Emergency Funding - April 2021
TOTAL FUNDING

290,932
1,378,051
233,344
1,902,327

I - STAFFING COSTS

CC	20/21 Costs	Apr-21	May-21	Jun-21	Jul-21	21/22 Costs	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	#	Est Total Cost	Comments
	£	£	£	£	£	£	£	£	£	£	£		£	
On Call additional costs - service response	0					0							0	
Wholetime overtime (including control)- service response	32,800					0							32,800	Recall to duty payments
On Call additional costs - LRF support	201,529					0							201,529	
Wholetime overtime - LRF support	0					0							0	
On Call additional costs - National response	0					0							0	
Wholetime overtime - National response	0					0							0	
ARA's	10,191					0				0			10,191	
ARA's Recovery	13,300					0				0			13,300	
Other	3,967	864				864	0	0	0	0			4,832	
Sub-Total: Staffing costs	261,787	864	0	0	0	864	0	0	0	0	0	0	262,652	

II - PROTECTIVE EQUIPMENT

PPE	Various	323,142				0	4,000	4,000	4,000	4,000	4,000		343,142	
Cleaning and decontamination supplies	9501	178,688			15,801	76,666	92,467	12,674	12,890	12,890	12,890	12,890	335,389	Additional Cleaning at Stations - £10,174 (move to 10,390 in Apr 21) + £2,500 p/m wipes / sprays
Lateral Flow Tests		74,100					0						74,100	
Sub-Total: Equipment		575,930	0	0	15,801	76,666	92,467	16,674	16,890	16,890	16,890	16,890	752,631	

III- OTHER COSTS

ICT Infrastructure and licencing	9501	228,905				0	40,000						268,905	
Thermometers	9501	1,199				0							1,199	
Signage		44,745				0							44,745	
Other		16,608		1,234	12,060	27,287	40,581					132,000	189,189	£11k relating to Bureau Veritas & £132k Classroom and toilet block in Weathersfield training room
Recharge of PPE		-9,837				0							-9,837	Recharge of PPE to West Mids FRS
Changes to Workplace on return to work		0	0			0			40,000	30,000	30,000		100,000	
Sub-Total: Other costs		281,620	0	1,234	12,060	27,287	40,581	40,000	0	40,000	0	132,000	594,201	

TOTAL ADDITIONAL COSTS

1,119,337	864	1,234	27,861	103,953	133,912	56,674	16,890	56,890	16,890	148,890	1,609,484
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REVENUE SPEND

908,145

CAPITAL SPEND

211,193

1,119,337

STOCK SPEND

298,421

Amount of Grant remaining
 % OF GRANT REMAINING

292,843
15.4%

Amount of 2020/21 Grant remaining

251,225

Internal Audit Recommendations



Financial Year	Audit Report Title	Owner	Total Recommendations		Completed Recommendations		Recommendations Outstanding		Recommendations outside of due date		
			High	Medium	High	Medium	High	Medium	High	Medium	
2019/20	Non-Operational - H&S	Senior Health and Safety Advisor (Joanne Hampton)	1	3	-	3	1	-	1	-	
2019/20	GDPR	GDPR Officer (Hope Osayande)	2	7	1	5	1	2	1	2	
2019/20	Procurement	Head of Purchasing & Supply (Sheldon Dyer)	1	5	1	2	-	3	-	3	
2020/21	Follow-up 2021	Various action owners	-	4	-	-	-	4	-	-	
THIS UPDATE			8	45	6	36	2	9	2	5	
			53		42		11		7		
			Percentage complete			79%		Percentage overdue			64%
LAST UPDATE			8	45	6	36	2	9	2	5	
			53		42		11		7		
			Percentage complete			79%		Percentage overdue			64%

Internal Audit Programme Update

The draft audit report was received for the ICT Transformation Programme audit, and a meeting has been arranged to discuss the findings with RSM. Initial outlook is overall positive, but the finer details of the report need to be agreed.

The next audit is focusing on Fleet Management. The scope has been drafted and fieldwork will commence in August.

External Audit Update

The external audit is progressing well. The team have been complimented on the quality of the working papers provided to the auditors, and are working hard to respond to queries promptly. No significant issues have been identified.

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