

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 - November 2021		
Type of Report:	Information		

SUMMARY

This paper reports on expenditure against budget as at November 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 November 2021

Executive Summary



Results for the period to November 2021

There was a surplus of £331k in November 2021 bringing the YTD position to a surplus of £1.48m (with a Business as usual (BAU) surplus of £1.22m).

Total pay costs YTD show an overspend of £1.43m, which after £439k of unbudgeted Earmarked Reserve costs, shows the BAU overspend of 990k. The BAU overspend includes a Wholetime variance of £589k (£100k for protection payments, £272k for Additional Shift working and £248k for the pay award). On Call also has a large variance of £328k due to the unbudgeted conversion costs and pay award.

Total non pay costs show £378K underspend, which includes £155k of Covid costs and £407k of unbudgeted Earmarked Reserve spend and a continuing BAU variance underspend of £940k underspend.

The key underspends are in Financing items and Premises and Equipment. The capital financing charge is £350k lower than budget, this cost reduction is included within the latest Forecast projection. ICT is also showing a £240k underspend in BAU costs and £150k underspend in property maintenance.

YTD funding is £444k higher than the budgeted position, this relates to £359k in NNDR funding and £153k council tax precept amounts from the prior year. The NNDR pooling funding was received in the month.

The profit on disposal of EFAT of £28k has been moved to General Reserves in the month.

The specific government grant income of £501k is due to the Local council tax support grant.

Balance Sheet Statement and Cashflow Forecast

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

- Cash and cash equivalents has reduced from £28.5m to £27.9m in the month, this is due to expenditure exceeding income for the month as well as changes in working capital.
- The Cashflow Forecast on page 9 shows the forecast cash position of the Authority for the next twelve months. There is a net cash outflow position for the remaining part of the year due to the Firefighter's Pension Scheme, which is funded annually in July.

Capital

The Capital Programme is actively monitored by several groups at the Authority, including the Asset Board and Strategic Sub-Groups. Updates in the month include:

- £570k reduction in Asset protection due to changes in phasing, aspirational spend for projects has been removed which offsets against provision for limited capacity.

Forecast

The forecast is being reviewed for Q3.

Other

There were five Single Tender Actions in November.

YTD Summary Income and Expenditure Statement to November 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 %	BAU Budget Vs BAU Actuals £'000s	Variance %
23,119	23,376	258	Wholetime Firefighters	23,353	-	290	23,643	22,764	-	279	23,043	(600)	(3%)	(589)	(3%)
4,296	4,178	(118)	On Call Firefighters	4,941	-	-	4,941	4,613	-	-	4,613	(328)	(7%)	(328)	(7%)
1,030	943	(88)	Control	1,045	-	-	1,045	1,045	-	-	1,045	(1)	(0%)	(1)	(0%)
9,640	9,524	(116)	Support Staff	9,897	4	517	10,419	9,825	-	89	9,914	(505)	(5%)	(72)	(1%)
38,085	38,021	(64)	Total Employment Costs	39,237	4	808	40,048	38,247	-	368	38,615	(1,433)	(4%)	(990)	(3%)
1,138	1,446	308	Support Costs	1,371	40	112	1,523	1,430	-	-	1,430	(93)	(7%)	58	4%
7,313	7,119	(194)	Premises & Equipment	6,313	105	248	6,666	6,683	-	-	6,683	16	0%	369	6%
1,793	2,204	412	Other Costs & Services	2,131	11	46	2,188	2,191	-	-	2,191	3	0%	61	3%
1,570	1,567	(3)	Ill health pension costs	1,407	-	-	1,407	1,469	-	-	1,469	63	4%	63	4%
3,710	3,722	11	Financing Items	3,754	-	-	3,754	4,143	-	-	4,143	389	9%	389	9%
15,524	16,058	534	Total Other Costs	14,976	155	407	15,538	15,916	-	-	15,916	378	2%	940	6%
-	-	-	Investment in productivity improvement	-	-	-	-	(0)	(0)	(0)	-	-	-	-	-
53,609	54,079	470	Gross Expenditure	54,213	159	1,214	55,586	54,163	(0)	368	54,531	(1,055)	(2%)	(50)	(0%)
(5,475)	(4,126)	1,350	Specific Govt. Grants Income	(4,758)	0	-	(4,758)	(4,258)	-	-	(4,258)	501	(12%)	501	(12%)
(912)	(901)	12	Operational income	(1,000)	-	-	(1,000)	(650)	-	-	(650)	350	(54%)	350	(54%)
47,221	49,053	1,832	Net Expenditure	48,455	159	1,214	49,829	49,256	(0)	368	49,624	(205)	(0%)	800	2%
Funding															
(6,419)	(6,419)	-	Revenue Support Grant	(6,458)	-	-	(6,458)	(6,454)	-	-	(6,454)	4	(0%)	4	(0%)
(11,200)	(11,200)	-	National Non-Domestic Rates	(11,525)	-	-	(11,525)	(11,166)	-	-	(11,166)	359	(3%)	359	(3%)
(322)	(384)	(62)	Council Tax Collection Account	(50)	-	-	(50)	(91)	-	-	(91)	(41)	45%	(41)	45%
(31,912)	(31,889)	23	Council Tax Precept	(31,944)	-	-	(31,944)	(31,791)	-	-	(31,791)	153	(0%)	153	(0%)
(10)	24	34	Council Tax Collection Impact	6	-	-	6	(24)	-	-	(24)	(30)		(30)	
(49,863)	(49,867)	(4)	Net Funding	(49,970)	-	-	(49,970)	(49,526)	-	-	(49,526)	444	(1%)	444	(1%)
(195)	-	195	Cont'ns to/(from) General Bals	28	-	-	28	-	-	-	-	(28)	-	(28)	-
-	-	-	Cont'ns to/(from) Earmarked Reserves	0	(157)	(1,214)	(1,371)	-	-	(368)	(368)	1,003	-	(0)	0%
(195)	-	195	Total Contribution to/(from) Reserves	28	(157)	(1,214)	(1,343)	-	-	(368)	(368)	975	-	(28)	8%
(50,058)	(49,867)	191	Total Funding	(49,942)	(157)	(1,214)	(51,313)	(49,526)	-	(368)	(49,894)	1,419	(3%)	416	(1%)
(2,642)	(814)	1,827	Funding Gap / (Surplus)	(1,487)	2	(0)	(1,485)	(270)	(0)	-	(270)	1,214		1,217	

Period Summary Income and Expenditure Statement to November 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	BAU Budget £'000s	COVID Budget £'000s	Earmarked Projects Budget £'000s	Period Budget £'000s	Budget Vs Actuals £'000s	Variance %	BAU Budget Vs BAU Actuals £'000s	Variance %
2,880	2,839	(41)	Wholetime Firefighters	2,929	-	25	2,954	2,791	-	23	2,814	(140)	(5%)	(138)	(5%)
612	563	(49)	On Call Firefighters	658	-	-	658	590	-	-	590	(67)	(11%)	(67)	(11%)
136	118	(18)	Control	130	-	-	130	131	-	-	131	1	1%	1	1%
1,448	1,192	(257)	Support Staff	1,188	-	39	1,228	1,232	-	7	1,240	12	1%	44	4%
5,075	4,712	(364)	Total Employment Costs	4,905	-	65	4,969	4,744	-	31	4,775	(194)	(4%)	(160)	(3%)
171	181	10	Support Costs	178	2	9	190	179	-	-	179	(11)	(6%)	1	0%
968	890	(78)	Premises & Equipment	776	16	4	796	835	-	-	835	39	5%	59	7%
229	277	48	Other Costs & Services	334	-	28	361	275	-	-	275	(86)	(31%)	(59)	(21%)
170	177	7	Ill health pension costs	167	-	-	167	177	-	-	177	10	6%	10	6%
464	465	1	Financing Items	401	-	-	401	518	-	-	518	117	23%	117	23%
2,001	1,990	(11)	Total Other Costs	1,856	18	41	1,915	1,984	-	-	1,984	69	3%	128	6%
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
7,076	6,701	(375)	Gross Expenditure	6,760	18	105	6,884	6,728	-	31	6,759	(125)	(2%)	(32)	(0%)
(540)	(516)	24	Specific Govt. Grants Income	(581)	-	-	(581)	(532)	-	-	(532)	48	(9%)	48	(9%)
(112)	(113)	(1)	Operational income	(145)	-	-	(145)	(81)	-	-	(81)	64	(79%)	64	(79%)
6,424	6,073	(351)	Net Expenditure	6,035	18	105	6,158	6,115	-	31	6,146	(13)	(0%)	80	1%
			Funding												
(513)	(513)	-	- Revenue Support Grant	(516)	-	-	(516)	(516)	-	-	(516)	-	-	-	-
(1,375)	(1,375)	-	- National Non-Domestic Rates	(1,731)	-	-	(1,731)	(1,370)	-	-	(1,370)	361	(26%)	361	(26%)
(39)	(48)	(9)	(9) Council Tax Collection Account	(5)	-	-	(5)	(5)	-	-	(5)	-	-	-	-
(4,176)	(4,172)	4	4 Council Tax Precept	(4,160)	-	-	(4,160)	(4,160)	-	-	(4,160)	-	-	-	-
(2)	3	5	5 Council Tax Collection Impact	(1)	-	-	(1)	(3)	-	-	(3)	(2)	-	(2)	-
(6,105)	(6,105)	-	Net Funding	(6,414)	-	-	(6,414)	(6,055)	-	-	(6,055)	359	(6%)	359	(6%)
-	-	-	- Cont'ns to/(from) General Bals	28	-	-	28	-	-	-	-	(28)	-	(28)	-
-	-	-	- Cont'ns to/(from) Earmarked Reserves	-	-	(103)	(103)	-	-	(44)	(44)	60	(136%)	-	-
-	-	-	Total Contribution to/(from) Reserves	28	-	(103)	(76)	-	-	(44)	(44)	32	(72%)	(28)	64%
(6,105)	(6,105)	-	Total Funding	(6,386)	-	(103)	(6,489)	(6,055)	-	(44)	(6,099)	390	(6%)	331	(5%)
319	(32)	(351)	Funding Gap / (Surplus)	(351)	18	2	(331)	60	-	(13)	47	378		411	

Operational Income



Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(24,607)	(20,008)	4,599	(23%)	(30,006)	
Childcare Vouchers	(23,703)	(43,336)	(19,633)	45%	(65,004)	
Canteen Income	(25,569)	(33,336)	(7,767)	23%	(50,004)	
Sale of Vehicle Spares	(40,470)	(16,664)	23,806	(143%)	(25,000)	
Aerial Sites	(90,503)	(103,768)	(13,265)	13%	(155,652)	
Solar Panel Income	(28,239)	(33,336)	(5,097)	15%	(50,000)	
Hydrant Tests	(17,359)	(60,000)	(42,641)	71%	(90,000)	
Lease Cars - Employee Contributions	(4,667)	(10,000)	(5,333)	53%	(15,000)	
Service Charges	(323)	(400)	(77)	19%	(600)	
Secondments	(143,264)	0	143,264	0%	0	
Community Safety General	5,043	0	(5,043)	0%	0	
Labour Credit	(51,848)	(36,664)	15,184	(41%)	(55,000)	
Section 13/16	(49,332)	(30,000)	19,332	(64%)	(45,000)	
Provision of Hire Vehicles & Equipment	(1,476)	(1,336)	140	(10%)	(2,000)	
Interest Received Short Term Investments	(2,071)	(16,664)	(14,593)	88%	(24,996)	
Community Safety Youth Work	(30,355)	(66,664)	(36,309)	54%	(99,998)	
Shared Services Income	(399,743)	(121,336)	278,407	(229%)	(182,001)	
Reimbursements from EFA(T)	(1)	0	1	0%	0	
Other Miscellaneous Income	(56,901)	(56,336)	565	(1%)	(84,499)	
Total Operational Income	(999,527)	(649,848)	349,679	(54%)	(974,760)	

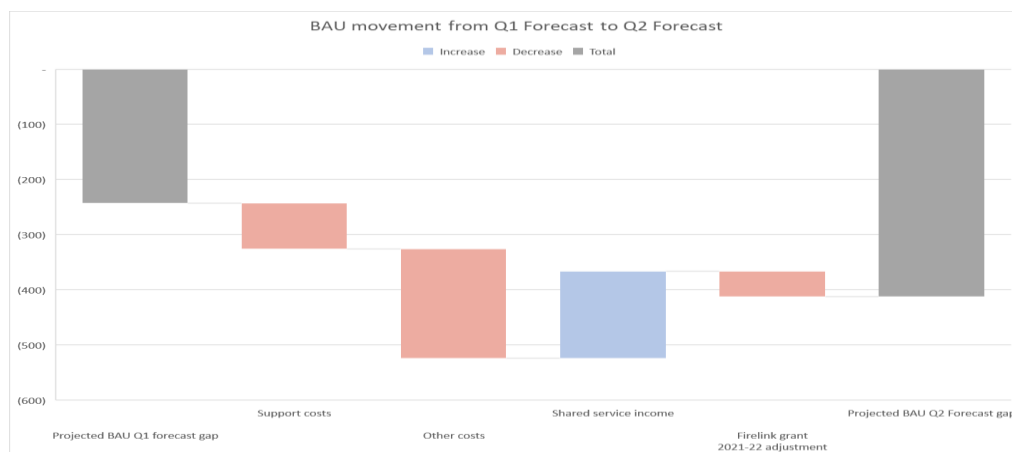
Specific Government Grants Income

Specific Government Grants	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Addn Pens Grant Accr	(2,344,363)	(2,344,363)	0	0%	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution
DCLG BRR 2021-22	(925,551)	(893,520)	32,031	(4%)	(1,340,280)	Business Rate relief
USAR Grant 2021-22	(571,040)	(571,453)	(413)	0%	(856,560)	
Firelink Grant 2021-22	(385,116)	(440,783)	(55,667)	13%	(662,258)	Communications Network (Firelink) grant was overpaid in the last two years so will be reduced by £84k and a further £40k in 21/22 and New Risk Mosaic programme funding.
Local council tax support	(497,366)	0	497,366	0%	0	£62k released monthly as additional one off Grant
Other Grant Income	(34,861)	(7,667)	27,195		(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	(4,758,298)	(4,257,786)	500,512	12%	(6,387,143)	

Movement from 2021/22 Q1 Forecast to Q2 Forecast



Description	BAU Forecast £'000s	COVID Forecast £'000s	Earmarked Projects Forecast £'000s	Q1 Forecast £'000	BAU Forecast £'000s	COVID Forecast £'000s	Earmarked Projects Forecast £'000s	Q2 Forecast £'000	Movement from Q1 £'000	Variance %	BAU Forecast movement	Variance %
Total Employment Costs	58,697	1	782	59,480	58,697	4	1,253	59,954	(474)	(1%)	0	0%
Support Costs	1,959	30	310	2,299	2,034	37	310	2,382	(83)	(4%)	(76)	(4%)
Premises & Equipment	9,855	93	179	10,127	10,053	260	710	11,023	(896)	(9%)	(198)	(2%)
Other Costs & Services	3,280	11	-	3,291	3,280	111	225	3,616	(325)	(10%)	(0)	(0%)
Ill Health Pension costs	2,241	-	-	2,241	2,250	-	-	2,250	(8)	(0%)	(8)	(0%)
Financing Items	5,509	-	-	5,509	5,509	-	-	5,509	-	-	-	-
Productivity improvement investment	-	-	1,151	1,151	-	-	1,151	1,151	-	-	-	-
Total Other Costs	22,845	134	1,641	24,619	23,127	408	2,396	25,931	(1,312)	(5%)	(282)	(1%)
Gross Operating Expenditure	81,542	134	2,423	84,100	81,824	412	3,649	85,886	(1,786)	(2%)	(282)	(1%)
Government Grants Income	(7,146)	(134)	-	(7,281)	(7,100)	0	-	(7,100)	(181)	2%	(46)	1%
Operational income	(1,151)	-	-	(1,151)	(1,309)	-	-	(1,309)	158	(14%)	158	(14%)
Net Expenditure	73,245	(0)	2,423	75,668	73,415	412	3,649	77,477	(1,809)	(2%)	(171)	(0%)
Total Funding	(73,002)	-	(2,423)	(75,425)	(73,002)	(412)	(3,649)	(77,063)	1,638	(2%)	(0)	0%
Funding Gap/ (Surplus)	243	(0)	(0)	243	414	0	0	414	(171)		(171)	



Key movements:

Support costs: Increase in costs included in the forecast is driven by £67k of unbudgeted redundancy costs.

Premises and equipment: Increase of costs of £198k due to higher actual costs going through property maintenance.

Operational income: Shared Service income actuals include £78k for Cambridgeshire income, £82k Bedfordshire income

Government Grant income: £47k reduction due to prior year adjustment for Firelink overpayment.

Balance Sheet - 30th November 2021

	30th Nov 2021	31st Oct 2021	31st Mar 2021	Variance Oct 2021 £000's	Variance Mar 2021 £000's
	£000's	£000's	£000's		
Property, plant & equipment					
Land and buildings	123,890	123,890	125,232	-	(1,343)
* Vehicles, plant & equipment	11,404	11,404	11,404	-	-
Assets under construction	1,739	1,573	751	166	988
Long term assets	137,032	136,866	137,387	166	(354)
Inventories	667	653	642	14	25
Short term debtors	1,883	1,808	6,363	75	(4,480)
Cash and cash equivalents	27,940	28,501	17,696	(561)	10,245
Assets held for sale	315	315	912	-	(597)
Current assets	30,805	31,276	25,612	(471)	5,193
* Short term borrowings	-	-	(250)	-	250
Short term creditors	(5,907)	(5,836)	(6,954)	(71)	1,046
Grants received in advance	(4,142)	(5,071)	(1,049)	928	(3,094)
Current liabilities	(10,050)	(10,907)	(8,253)	857	(1,797)
Long term borrowing	(24,500)	(24,500)	(24,500)	-	-
Provisions	(1,085)	(1,112)	(1,161)	28	77
* Pension liability - LGPS	(38,242)	(38,242)	(38,242)	-	-
Pension liability - FPS	(886,391)	(886,391)	(886,443)	-	52
Long term liabilities	(950,218)	(950,245)	(950,346)	28	129
NET LIABILITIES	(792,430)	(793,010)	(795,600)	579	3,170
Usable reserves					
General fund	5,838	5,508	4,351	330	1,487
Earmarked general fund reserves	12,110	12,214	13,481	(76)	(1,371)
Capital receipts reserve	11,633	11,633	9,669	-	1,964
Usable reserves	29,609	29,355	27,502	254	2,107
Unusable reserves					
Revaluation reserve	37,178	37,178	38,180	-	(1,002)
Capital adjustment account	69,413	69,088	67,401	325	2,012
* 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	(822,039)	(822,364)	(823,102)	325	1,062
TOTAL RESERVES	(792,430)	(793,009)	(795,600)	579	3,170

* 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:

- £0.6m reduction in cash and cash equivalents as cash outflows exceeded inflows for the month, as seen in the cashflow on page 8.

- There were no further house sales this month, therefore, assets held for sale remains at £315k.

Current Liabilities

- Short term borrowings are adjusted at year end for disclosure purposes.

- Grants received in advance have reduced by £0.9m in the month. This includes grants released to income of £0.1m and a reduction in the pension fund surplus of £0.8m. An adjustment is posted each month to clear down the pension fund, which reflects the amount due to/from the pension scheme.

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 movement in provision relates to the payment of Pension Scheme Sanction charges.

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 £1,371k.

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

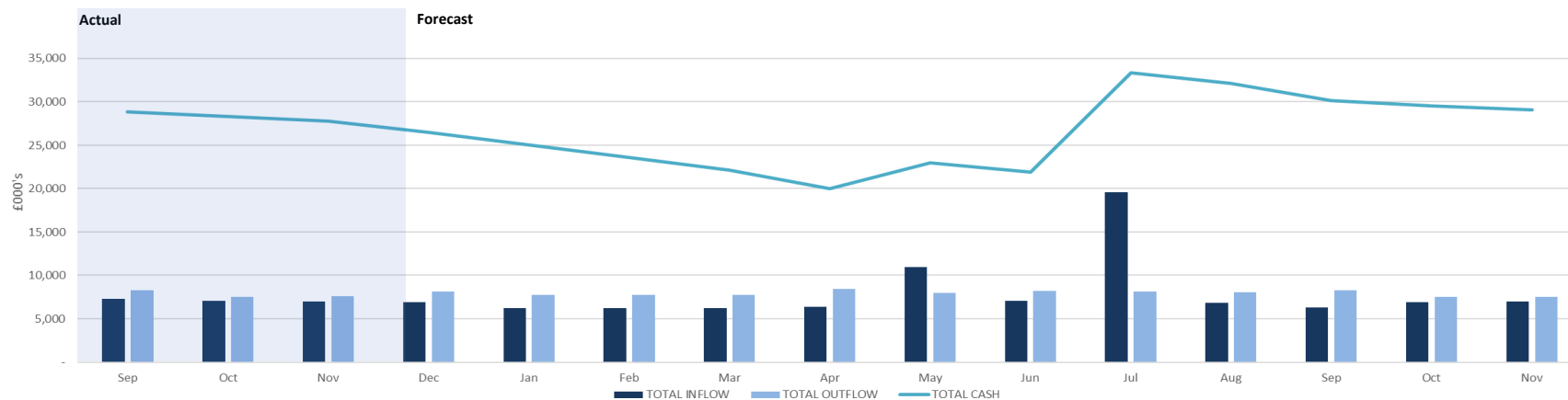
The Authority has continued to accrue for MRP charges, which is shown in the YTD movement in the capital adjustment account of £2,012k. This is the net of MRP charges of £2,950k offset by disposals adjustments of £938k.

The year to date reduction of £1,002k in the revaluation reserve is due to disposals, representing previously recognised gains on valuation.



Cashflow Forecast

FORECAST CASH INFLOWS AND OUTFLOWS



COMMENTARY

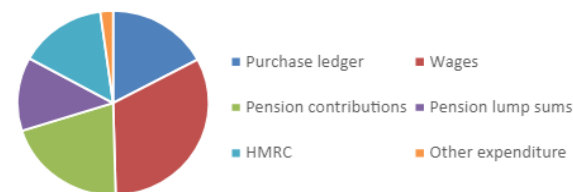
Total cash and investments at the end of November was £27.9m, down from £28.5m in September. Key inflows and outflows for the month are summarised below:

- Income includes precepts of £4.7m and grants of £2.1m.
- Purchase ledger payments totalled £1.4m in the month - these costs are typically between £1-2m, so this is in line with expectation.
- The Authority is fully compliant with the treasury management strategy - new investments are reviewed on a regular basis to ensure the maximum return is generated.
- Cash is expected to fall until May-22 as cash outflows exceed inflows. Business rates grants and the Pension Grant are paid annually in May and July respectively, causing the uplift in cashflow in the summer.

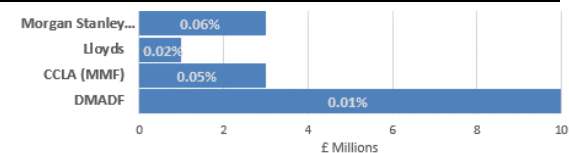
TREASURY MANAGEMENT INDICATORS

	<u>Actual</u>	<u>Explanation of Indicators</u>
Credit risk indicator	AAA	The average credit rating of investments must be A or greater.
Liquidity risk indicator	£27.9m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.05%	No change in weighted average interest.
Price risk indicator	£nil	The limit on the amount that can be invested beyond 12 months.
Refinancing rate indicator:		
<i>Under 12 months</i>	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 (PWL) debt requires full payment of interest up to the date of expiry.
<i>12 months and within 24 months</i>	4%	
<i>24 months and within 5 years</i>	8%	
<i>5 years and within 10 years</i>	61%	
<i>10 years and within 15 years</i>	27%	
<i>15 years and above</i>	0%	

EXPENDITURE ANALYSIS



INVESTMENTS



Essex County Fire & Rescue Service - Capital Expenditure as at 30th November 2021



Capital	Budget 2021/22	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend
New Premises					
Service Workshops - New	250	-	-	-	-
Existing Premises					
Asset Protection	1,700	1,626	24	1,650	577
Asset Improvement Works Training Facilities Improvement	1,651	1,446	(570)	876	7
Asset Improvement Works - Shoeburyness	906	250	-	250	11
Total Property	4,507	3,322	(546)	2,776	595
Equipment	246	196	-	196	22
Information Technology					
Projects	570	943	-	943	79
Total Information Technology	570	943	-	943	79
Vehicles					
New Appliances	2,330	980	-	980	-
Other Vehicles	978	481	-	481	292
Total Vehicles	3,308	1,461	-	1,461	292
Total Capital Expenditure	8,630	5,921	(546)	5,376	988

Essex County Fire & Rescue Service - Capital Expenditure as at 30th November 2021



* To be agreed at asset board

	Budget 2021/22	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend	Committed Orders
B113 - Vehicles						
Appliances (Pumping)	2,330,000	979,830	-	979,830	-	2,328,200
ICU Internals	30,000	-	-	-	-	-
Light Vehicles	292,000	106,000	-	106,000	105,551	-
Off Road Vehicles	102,000	102,000	-	102,000	101,934	-
Officers Cars (Principal Officers)	111,000	56,000	-	56,000	54,133	-
Specialist rescue vehicle	100,000	-	-	-	-	-
Light Vans	248,000	169,000	-	169,000	22,102	180,085
Ramps	-	40,000	-	40,000	-	-
Ladders	94,500	8,253	-	8,253	8,253	-
Total B113 - Vehicles	3,307,500	1,461,083	-	1,461,083	291,972	2,508,285
B116 - Operational Equipment						
B.A. Compressors	55,851	55,851	-	55,851	22,149	25,324
BA Contamination machine	80,000	80,000	-	80,000	-	-
Method entry equipment	30,000	30,000	-	-	-	-
Smoke curtains	30,000	30,000	-	30,000	-	-
Body warn CCTV	30,000	30,000	-	30,000	-	-
Fog spikes	20,000	20,000	-	-	-	-
Total B116 - Operational Equipment	245,851	245,851	-	195,851	22,149	25,324
B114 - ICT Equipment						
Digital & Data Strategy						
DEVICES	130,000	53,333	-	53,333	-	-
VOICE	-	215,000	-	215,000	79,395	30,865
Other Projects						
Rolling phone refresh	100,000	-	-	-	-	-
Apprentice laptops	32,400	32,400	-	32,400	-	-
Virtual servers	25,000	-	-	-	-	-
Mobilising station end equipment	-	450,000	-	450,000	-	-
ICCS/CAD Replacement - Control Project	282,150	191,773	-	191,773	-	-
Total B114 - ICT Equipment	569,550	942,506	-	942,506	79,395	30,865

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



* To be agreed at asset board

	Budget 2021/22	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend	Committed Orders
B112 - Land & Building						
Lexden Workshops Relocation	250,000	-	-	-	-	-
Total B112 - Land & Building	250,000	-	-	-	-	-
Asset Improvement Works - Shoeburyness	905,814	250,000	-	250,000	11,336	52,844
Asset Protection Works - Training Facilities:						
Phase 1 - Chelmsford, Greys, Southend, SWF	212,012	504,000	-	504,000	6,530	22,428
Phase 2 - Braintree, Brentwood	429,089	233,000	-	233,000	-	-
Phase 3 - Harlow, Safron Waldon and Clacton	741,000	500,000	(500,000)	-	-	-
Witham TC Wah	70,000	70,000	(70,000)	-	-	-
Wethersfield TC room/Pilot scheme Grays	130,006	130,006	-	130,006	-	111,472
Deep lift pits	60,000	-	-	-	-	-
Consultancy	8,682	8,682	-	8,682	-	-
Total B117 - Asset Improvement	2,556,603	1,695,688	(570,000)	1,125,688	17,866	186,744
B118 - Asset Protection						
Projects carried forward from 20/21:						
Colchester FP/WFS Offices	7,000	15,000	4,035	19,035	14,052	5,233
Orsett Appliance Bay	35,000	33,000	1,362	34,362	32,728	9,566
Southend Boilers	22,000	19,000	19,178	38,178	18,557	20,026
Fire Alarms	5,000	49,000	(7,960)	41,040	41,041	-
Burnham AB Floor	35,000	17,000	14,683	31,683	29,698	1,778
Projects commencing 21/22:						
Dunmow Yard	140,000	-	-	-	-	-
Great Baddow Windows	130,000	121,000	(2,670)	118,330	114,545	-
Park Pond - lake works	346,000	205,000	4,000	209,000	191,930	205,460
Park Pond - liner repairs	-	105,000	6,000	111,000	104,517	-
Park Pond - building management system	-	-	60,000	60,000	-	-
Orsett - No time to lose	25,000	25,000	82	25,082	17,955	1,245
Rayleigh Parking	10,000	5,000	576	5,576	4,473	-
Harlow boilers	180,000	220,000	(70,552)	149,448	-	149,448
Baddow boilers	180,000	220,000	-	220,000	-	3,030
Chelmsford TC boilers	80,000	40,000	-	40,000	-	-
Grays Heater	25,000	35,000	(7,000)	28,000	-	28,627
Witham TC boiler	50,000	80,000	-	80,000	2	-
Harlow mains	35,000	60,000	24,750	84,750	-	-
Appliance bay floors (Halstead, Tollesbury, Weeley)	175,000	196,000	-	196,000	2,180	17,979
Witham TC offices	100,000	121,000	3,000	124,000	-	-
Epping part refurbishment	60,000	-	-	-	-	-
Waltham Abbey drill yard	60,000	60,000	(60,000)	-	-	-
Orsett Fra (50%)	240,000	-	-	-	-	-
Other	-	-	35,000	35,000	-	-
Provision for limited capacity **	(240,000)	-	-	-	5,010	-
B118 - Asset Protection	1,700,000	1,626,000	24,484	1,650,484	576,687	442,393
TOTAL FORECAST 2021-22	8,629,504	5,921,128	(545,516)	5,375,612	988,070	3,193,611



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: Q2 Forecast working Single Tender Actions 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



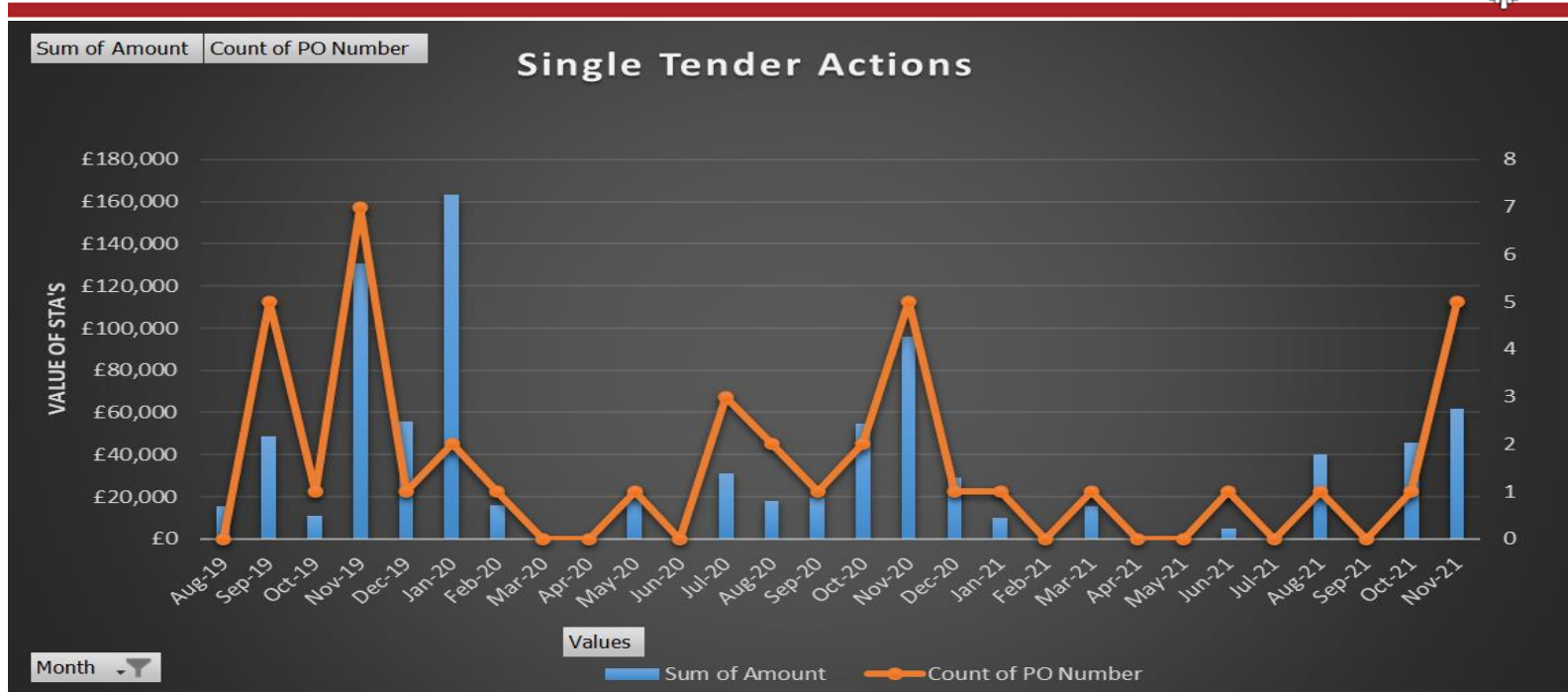
Appendices

2021/22 Q2 Forecast



Description	BAU Forecast £'000s	COVID Forecast £'000s	Earmarked Projects Forecast £'000s	Q1 Forecast £'000	BAU Forecast £'000s	COVID Forecast £'000s	Earmarked Projects Forecast £'000s	Q2 Forecast £'000	Movement from Q1 £'000	Variance %	BAU Forecast movement	Variance %
Employees												
Wholetime Firefighters	34,513	-	299	34,812	34,513	-	586	35,099	(287)	(1%)	-	(0%)
On-Call Firefighters	7,361	-	-	7,361	7,361	-	-	7,361	-	0%	-	0%
Control	1,582	-	-	1,582	1,582	-	-	1,582	-	0%	-	0%
Support Staff	15,242	1	483	15,725	15,242	4	667	15,912	(187)	(1%)	-	(0%)
Inter Department Cross Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Employment Costs	58,697	1	782	59,480	58,697	4	1,253	59,954	(474)	(1%)	0	0%
Other Service Expenditure												
Support Costs	1,959	30	310	2,299	2,034	37	310	2,382	(83)	(4%)	(76)	(4%)
Premises & Equipment	9,855	93	179	10,127	10,053	260	710	11,023	(896)	(9%)	(198)	(2%)
Other Costs & Services	3,280	11	-	3,291	3,280	111	225	3,616	(325)	(10%)	(0)	(0%)
Ill Health Pension costs	2,241	-	-	2,241	2,250	-	-	2,250	(8)	(0%)	(8)	(0%)
Financing Items	5,509	-	-	5,509	5,509	-	-	5,509	-	0%	-	0%
Productivity improvement investment	-	-	1,151	1,151	-	-	1,151	1,151	-	-	-	-
Total Other Costs	22,845	134	1,641	24,619	23,127	408	2,396	25,931	(1,312)	(5%)	(282)	(1%)
Gross Operating Expenditure	81,542	134	2,423	84,100	81,824	412	3,649	85,886	(1,786)	(2%)	(282)	(0%)
Government Grants Income	(7,146)	(134)	-	(7,281)	(7,100)	0	-	(7,100)	(181)	2%	(46)	1%
Operational income	(1,151)	-	-	(1,151)	(1,309)	-	-	(1,309)	158	(14%)	158	(14%)
Net Expenditure	73,291	(0)	2,377	75,667	73,415	412	3,649	77,477	(1,809)	(2%)	(171)	(0%)
Funding												
Revenue Support Grant	(8,520)	-	-	(8,520)	(8,520)	-	-	(8,520)	-	(0%)	-	0%
National Non-Domestic Rates	(16,517)	-	-	(16,517)	(16,517)	-	-	(16,517)	-	-	-	-
Council Tax Collection Account	(359)	-	-	(359)	(359)	-	200	(159)	(200)	56%	-	-
Council Tax Precepts	(47,604)	-	-	(47,604)	(47,604)	-	-	(47,604)	-	(0%)	-	0%
NNDR surplus/deficit	(2)	-	-	(2)	(2)	-	-	(2)	-	-	-	0%
Cont'ns to/(from) Earmarked Reserves	-	-	(2,423)	(2,423)	0	(412)	(3,849)	(4,261)	1,838	(76%)	-	0%
Total Funding	(73,002)	-	(2,423)	(75,425)	(73,002)	(412)	(3,649)	(77,063)	1,638	(2%)	(0)	0%
Funding Gap/ (Surplus)	243	(0)	(0)	243	414	0	0	414	(171)		(171)	

Single Tender Actions



There were five Single Tender Actions in the month for November 2021:

Value	Department	Justification
£12,750	Performance & Data	Cool off days for Civica to help develop a Civica system that we already use
£10,000	Emergency Planning/ Resilience	The STA is for services supplied by another local government agency for the research project. These services are best sourced through this route.
£16,770	Operations	The NILO course is only run by LFB through the Fire Service College and is sole provider for this course.
£7,388	Technical Services	This equipment is a single type that is used across the service. To change from this type would result in re-training of all firefighters with working at height certification. The on cost of doing so would not represent value for money to the service or the taxpayer.
£15,045	ICT	Cadcorp renewal, Licence only available from Proprietary organisation.



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	6	1	1	1	1
2019/20	Procurement	Head of Purchasing & Supply (Sheldon Dyer)	1	5	1	2	-	3	-	3
2020/21	Follow-up 2021	Various action owners	-	4	-	2	-	2	-	2
2021/22	Fleet Management	Assistant Engineering Manager	-	1	-	-	-	1	-	-
2021/22	Competency Management	Project Manager - Operational Training	-	1	-	-	-	1	-	-
THIS UPDATE			8	47	6	39	2	8	2	6
			53		45		10		8	
			Percentage complete 82%				Percentage overdue 80%			
LAST UPDATE			8	45	6	36	1	8	2	5
			53		42		9		7	
			Percentage complete 79%				Percentage overdue 78%			

Internal Audit Programme Update

The final audit reports were agreed for the Fleet Management and Competency Management audits - providing reasonable and substantial assurance respectively.

The Key Financial Controls audit has completed, with the final report expected early December.

External Audit Update

The external audit letter was received from Grant Thornton and the accounts were updated and re-published accordingly.

The Value for Money audit is nearing completion, with a few minor points outstanding.

Updates On Outstanding Recommendations

There are two new recommendations since the last update with a total of 55 actions tracked.

Three recommendation have been completed in the month, relating to the overdue Follow-up and GDPR actions.

There are 8 overdue recommendations. 2 of these actions relate to the GDPR audit, which is advisory only.

Action owners have been reminded to progress their recommendations, and further meetings have been arranged with key stakeholders.

Please contact Austin Page for any questions relating to the internal audit programme.