

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 - October 2021		
Type of Report:	Information		

SUMMARY

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

Executive Summary



Results for the period to October 2021

There was a surplus of £265k in October 2021 bringing the YTD total spend to a surplus of 1155k (with a Business as usual (BAU) surplus of £929k).

Total pay costs YTD show an overspend of £1,239k, which after £528k of unbudgeted Earmarked Reserve costs, shows the BAU overspend of 707k. This includes £100k for the Wholetime pay protection payment and £70k pay protection payment relating to the day crewed conversion in Waltham Abbey. The Grey book pay award was also included in the YTD figures.

Total non pay costs show £310K underspend, which includes £137k of Covid costs and £366k of unbudgeted Earmarked Reserve spend and a continuing BAU variance underspend of £813k underspend. This mainly relates to underspend YTD in areas like community safety and home safety along with lower travel costs.

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 £28.8m to £28.5m in the month, this is due to expenditure exceeding income for the month as well as changes in working capital.
- The Authority has utilised £1,128k of earmarked reserves in the year to fund specific projects such as the new Competency Management system and the Digital & Data Strategy.
- The Cashflow Forecast on page 9 shows the forecast cash position of the Authority for the next twelve months. Payments are expected to exceed receipts from August to April due to the cost of 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:

- £74k reduction in Asset protection due to changes in phasing, aspirational spend for projects has been removed which offsets against provision for limited capacity.
- £980k has been added in for 9 new vehicle appliances (pumping) which will be bought in the current finance year, the cost will offset with £186k taken out of the forecast for light weight vehicles. The approval for the officers car scheme is still ongoing, however, given the issues around global supplies the expenditure has been rephased into next year.

Forecast

The forecast has been updated for Q2 with an adjustment for the grant income for Firelink and to align the projected release of Earmarked Reserves with the Reserve Strategy paper.

Other

Although the overall movement shows a variance of 70FTE in the month, a movement of 58.75 FTE is due to realignment of the On Call FTE and a movement of 10.39 FTE is in Prevention and Protection due to the restructure.

There was one Single Tender Action in October.

YTD Summary Income and Expenditure Statement to October 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 %
20,239	20,439	200	Wholetime Firefighters	20,424	-	265	20,689	20,066	-	163	20,229	(460)	(2%)	(358)	(2%)
3,684	3,615	(69)	On Call Firefighters	4,283	-	-	4,283	4,023	-	-	4,023	(260)	(6%)	(260)	(6%)
895	824	(70)	Control	915	-	-	915	914	-	-	914	(1)	(0%)	(1)	(0%)
8,191	8,332	141	Support Staff	8,709	4	478	9,191	8,622	-	52	8,674	(517)	(6%)	(87)	(1%)
33,009	33,210	201	Total Employment Costs	34,332	4	743	35,079	33,625	-	215	33,840	(1,239)	(4%)	(707)	(2%)
967	1,265	298	Support Costs	1,193	37	103	1,333	1,251	-	-	1,251	(82)	(7%)	58	5%
6,345	6,229	(116)	Premises & Equipment	5,537	89	244	5,870	5,847	-	-	5,847	(23)	(0%)	310	5%
1,564	1,928	363	Other Costs & Services	1,797	11	19	1,826	1,916	-	-	1,916	90	5%	120	6%
1,400	1,390	(10)	Ill health pension costs	1,240	-	-	1,240	1,292	-	-	1,292	52	4%	52	4%
3,247	3,257	10	Financing Items	3,353	-	-	3,353	3,626	-	-	3,626	273	8%	273	8%
13,523	14,069	545	Total Other Costs	13,119	137	366	13,622	13,932	-	-	13,932	310	2%	813	6%
-	-	-	Investment in productivity improvement	-	-	-	-	(0)	(0)	(0)	-	-	-	-	-
46,532	47,279	746	Gross Expenditure	47,452	141	1,109	48,701	47,557	(0)	215	47,772	(929)	(2%)	106	0%
(4,936)	(3,610)	1,326	Specific Govt. Grants Income	(4,178)	0	-	(4,178)	(3,726)	-	-	(3,726)	452	(12%)	452	(12%)
(800)	(788)	12	Operational income	(854)	-	-	(854)	(569)	-	-	(569)	286	(50%)	286	(50%)
40,797	42,881	2,084	Net Expenditure	42,420	141	1,109	43,669	43,263	(0)	215	43,478	(191)	(0%)	844	2%
Funding															
(5,905)	(5,905)	-	Revenue Support Grant	(5,941)	-	-	(5,941)	(5,938)	-	-	(5,938)	4	(0%)	4	(0%)
(9,825)	(9,825)	-	National Non-Domestic Rates	(9,794)	-	-	(9,794)	(9,796)	-	-	(9,796)	(2)	0%	(2)	0%
(283)	(336)	(53)	Council Tax Collection Account	(45)	-	-	(45)	(86)	-	-	(86)	(41)	48%	(41)	48%
(27,736)	(27,717)	19	Council Tax Precept	(27,783)	-	-	(27,783)	(27,631)	-	-	(27,631)	153	(1%)	153	(1%)
(9)	21	30	Council Tax Collection Impact	7	-	-	7	(21)	-	-	(21)	(28)		(28)	
(43,758)	(43,762)	(4)	Net Funding	(43,556)	-	-	(43,556)	(43,471)	-	-	(43,471)	86	(0%)	86	(0%)
(195)	-	195	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	Cont'ns to/(from) Earmarked Reserves	0	(157)	(1,111)	(1,268)	-	-	(140)	(140)	1,128	-	(0)	0%
(195)	-	195	Total Contribution to/(from) Reserves	0	(157)	(1,111)	(1,268)	-	-	(140)	(140)	1,128	-	(0)	0%
(43,953)	(43,762)	191	Total Funding	(43,556)	(157)	(1,111)	(44,824)	(43,471)	-	(140)	(43,611)	1,213	(3%)	86	(0%)
(2,961)	(881)	2,080	Funding Gap / (Surplus)	(1,137)	(16)	(2)	(1,155)	(207)	(0)	75	(133)	1,022		929	

Period Summary Income and Expenditure Statement to October 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 %
3,084	2,799	(285)	Wholetime Firefighters	2,945	-	48	2,993	2,766	-	48	2,814	(179)	(6%)	(179)	(6%)
589	563	(26)	On Call Firefighters	666	-	-	666	590	-	-	590	(75)	(13%)	(75)	(13%)
136	118	(18)	Control	130	-	-	130	131	-	-	131	1	0%	1	0%
1,175	1,192	17	Support Staff	1,250	3	34	1,287	1,205	-	34	1,240	(47)	(4%)	(44)	(4%)
4,983	4,672	(312)	Total Employment Costs	4,991	3	82	5,076	4,693	-	82	4,775	(301)	(6%)	(298)	(6%)
250	181	(69)	Support Costs	245	2	32	279	147	-	32	179	(101)	(56%)	(99)	(55%)
825	890	65	Premises & Equipment	748	(21)	26	754	809	-	26	835	82	10%	61	7%
230	285	54	Other Costs & Services	285	-	-	285	283	-	-	283	(2)	(1%)	(2)	(1%)
170	177	7	Ill health pension costs	176	-	-	176	177	-	-	177	1	1%	1	1%
464	465	1	Financing Items	429	-	-	429	518	-	-	518	89	17%	89	17%
1,940	1,998	58	Total Other Costs	1,883	(19)	58	1,922	1,934	-	58	1,992	70	4%	51	3%
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
6,923	6,669	(254)	Gross Expenditure	6,874	(16)	140	6,998	6,627	-	140	6,767	(231)	(3%)	(247)	(4%)
(667)	(516)	151	Specific Govt. Grants Income	(581)	-	-	(581)	(532)	-	-	(532)	48	(9%)	48	(9%)
(103)	(113)	(10)	Operational income	(139)	-	-	(139)	(81)	-	-	(81)	58	(71%)	58	(71%)
6,154	6,041	(113)	Net Expenditure	6,154	(16)	140	6,278	6,013	-	140	6,154	(125)	(2%)	(141)	(2%)
			Funding												
(513)	(513)	-	- Revenue Support Grant	(516)	-	-	(516)	(516)	-	-	(516)	(0)	0%	(0)	0%
(1,411)	(1,411)	-	- National Non-Domestic Rates	(1,406)	-	-	(1,406)	(1,406)	-	-	(1,406)	-	-	-	-
(44)	(53)	(9)	(9) Council Tax Collection Account	(11)	-	-	(11)	(11)	-	-	(11)	-	-	-	-
(4,505)	(4,501)	4	4 Council Tax Precept	(4,491)	-	-	(4,491)	(4,491)	-	-	(4,491)	-	-	-	-
(2)	3	5	5 Council Tax Collection Impact	20	-	-	20	(3)	-	-	(3)	(23)		(23)	
(6,475)	(6,475)	-	Net Funding	(6,404)	-	-	(6,404)	(6,427)	-	-	(6,427)	(23)	0%	(23)	0%
-	-	-	- Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	- Cont'ns to/(from) Earmarked Reserves	-	-	(140)	(140)	-	-	(140)	(140)	(0)	0%	-	-
-	-	-	- Total Contribution to/(from) Reserves	-	-	(140)	(140)	-	-	(140)	(140)	(0)	0%	-	-
(6,475)	(6,475)	-	Total Funding	(6,404)	-	(140)	(6,544)	(6,427)	-	(140)	(6,567)	(23)	0%	(23)	0%
(321)	(434)	(113)	Funding Gap / (Surplus)	(249)	(16)	-	(265)	(413)	-	(0)	(413)	(148)		(164)	

Operational Income



Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(21,333)	(17,507)	3,826	(22%)	(30,006)	
Childcare Vouchers	(20,949)	(37,919)	(16,970)	45%	(65,004)	
Canteen Income	(20,035)	(29,169)	(9,134)	31%	(50,004)	
Sale of Vehicle Spares	(30,545)	(14,581)	15,964	(109%)	(25,000)	
Aerial Sites	(79,190)	(90,797)	(11,607)	13%	(155,652)	
Solar Panel Income	(24,139)	(29,169)	(5,030)	17%	(50,000)	
Hydrant Tests	(10,938)	(52,500)	(41,562)	79%	(90,000)	
Lease Cars - Employee Contributions	(3,978)	(8,750)	(4,772)	55%	(15,000)	
Service Charges	(323)	(350)	(27)	8%	(600)	
Secondments	(125,463)	0	125,463	0%	0	
Community Safety General	(18,090)	0	18,090	0%	0	
Labour Credit	(41,608)	(32,081)	9,527	(30%)	(55,000)	
Section 13/16	(42,293)	(26,250)	16,043	(61%)	(45,000)	
Provision of Hire Vehicles & Equipment	(627)	(1,169)	(542)	46%	(2,000)	
Interest Received Short Term Investments	(1,968)	(14,581)	(12,613)	87%	(24,996)	
Community Safety Youth Work	(23,195)	(58,331)	(35,136)	60%	(99,998)	
Shared Services Income	(340,834)	(106,169)	234,665	(221%)	(182,001)	
Reimbursements from EFA(T)	0	0	0	0%	0	
Other Miscellaneous Income	(35,890)	(49,294)	(13,404)	27%	(84,499)	
Total Operational Income	(854,499)	(568,617)	285,882	(50%)	(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	(2,051,318)	(2,051,318)	0	0%	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution
DCLG BRR 2021-22	(808,523)	(781,830)	26,693	(3%)	(1,340,280)	Business Rate relief
USAR Grant 2021-22	(499,660)	(500,022)	(362)	0%	(856,560)	
Firelink Grant 2021-22	(347,852)	(385,685)	(37,833)	10%	(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	(435,366)	0	435,366	0%	0	£62k released monthly
Other Grant Income	(34,861)	(6,708)	28,153		(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	(4,177,580)	(3,725,563)	452,017	12%	(6,387,143)	

FTE Establishment Summary to October 2021

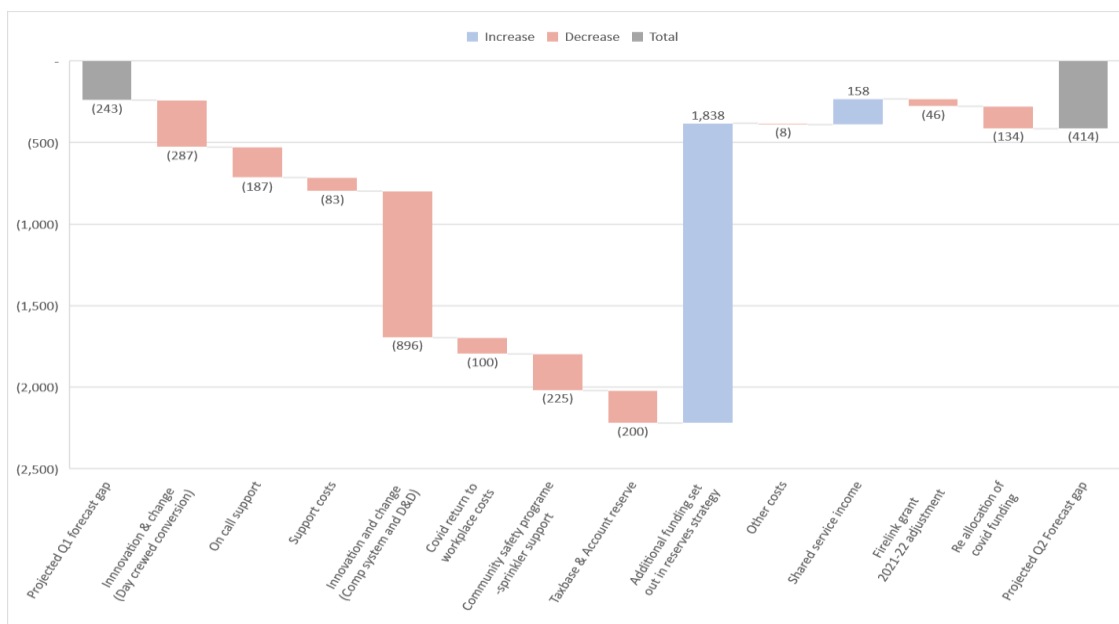


Station/Dept	Wholetime			On Call			Control			Support				Total		
	A C T U A L	B U D G E T	V a r	A C T U A L	B U D G E T	V a r	A C T U A L	B U D G E T	V a r	A C T U A L	A g e n c y T e m p s	B U D G E T	V a r	A C T U A L	B U D G E T	V a r
Wholetime/Combined Station	472.00	480.00	8.00	21.25	30.00	8.75	-	-	-	-	-	-	-	493.25	510.00	16.75
Wholetime Recruits	11.00	-	- 11.00	-	-	-	-	-	-	-	-	-	-	11.00	-	- 11.00
On-Call Station	1.00	-	- 1.00	343.50	396.25	52.75	-	-	-	-	-	-	-	344.50	396.25	51.75
Day Crewed Stations	21.00	21.00	-	41.75	42.00	0.25	-	-	-	-	-	-	-	62.75	63.00	0.25
Operations - USAR	15.00	16.00	1.00	-	-	-	-	-	-	-	-	-	-	15.00	16.00	1.00
Operational Response	520.00	517.00	- 3.00	406.50	468.25	61.75	-	-	-	-	-	-	-	926.50	985.25	58.75
Prevention & Protection BAU	21.00	39.00	18.00	-	-	-	-	-	-	63.11	-	55.50	- 7.61	84.11	94.50	10.39
Control	-	-	-	-	-	-	35.54	35.69	0.15	2.57	-	2.57	-	38.11	38.26	0.15
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	-	-	-	-	-	-	-	-	-	14.00	-	13.00	- 1.00	14.00	13.00	- 1.00
Emergency Planning	3.00	3.00	-	-	-	-	-	-	-	1.91	-	3.00	1.09	4.91	6.00	1.09
External Secondments	2.00	3.00	1.00	-	-	-	-	-	-	1.00	-	0.49	- 0.51	3.00	3.49	0.49
Finance & Pay	-	-	-	-	-	-	-	-	-	15.28	-	16.61	1.33	15.28	16.61	1.33
Health & Safety	2.00	2.00	-	-	-	-	-	-	-	4.00	-	4.00	-	6.00	6.00	-
Human Resources	-	-	-	-	-	-	-	-	-	36.79	-	35.20	- 1.59	36.79	35.20	- 1.59
ICT	-	-	-	-	-	-	-	-	-	26.61	-	22.60	- 4.01	26.61	22.60	- 4.01
Innovation & Change	-	-	-	-	-	-	-	-	-	15.52	-	19.71	4.19	15.52	19.71	4.19
Operational Assurance	4.00	5.00	1.00	-	-	-	-	-	-	-	-	-	-	4.00	5.00	1.00
Operational Policy	6.00	6.00	-	-	-	-	-	-	-	3.00	-	3.00	-	9.00	9.00	-
Operational Training	39.00	29.00	- 10.00	-	-	-	-	-	-	11.00	-	12.00	1.00	50.00	41.00	- 9.00
Performance & Improvement	-	-	-	-	-	-	-	-	-	12.04	-	11.63	- 0.41	12.04	11.63	- 0.41
Police Collaboration	-	-	-	-	-	-	-	-	-	4.00	-	2.00	- 2.00	4.00	2.00	- 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	2.00	2.00	-	-	-	-	-	-	-	4.00	-	5.00	1.00	6.00	7.00	1.00
Station Group Management	37.00	38.00	1.00	-	-	-	-	-	-	10.49	-	10.49	0.00	47.49	48.49	1.00
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	97.00	90.00	- 7.00	-	-	-	-	-	-	235.58	-	241.16	5.58	332.58	331.16	- 1.42
BAU Employees	638.00	646.00	8.00	406.50	468.25	61.75	35.54	35.69	0.15	301.25	0.00	299.23	- 2.02	1,381.29	1,449.17	67.88
Projects and/or Funded from Earmarked Reserves/ Specific Grants																
Grenfell Infrastructure Grant	-	-	-	-	-	-	-	-	-	1.00	-	1.00	-	1.00	1.00	-
ICT Projects	-	-	-	-	-	-	-	-	-	1.35	-	2.00	0.65	1.35	2.00	0.65
Operational Training Projects	-	4.00	4.00	-	-	-	-	-	-	-	-	1.00	1.00	-	5.00	5.00
Innovation & Change Projects	5.00	2.00	- 3.00	-	-	-	-	-	-	2.00	0.50	2.00	- 0.50	7.50	4.00	- 3.50
Earmarked Reserves, Projects, etc	5.00	6.00	1.00	-	-	-	-	-	-	4.35	0.50	6.00	1.15	9.85	12.00	2.15
All Employees	643.00	652.00	9.00	406.50	468.25	61.75	35.54	35.69	0.15	305.60	0.50	305.23	- 0.87	1,391.14	1,461.17	70.03

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)	(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	73,245	(0)	2,423	75,668	73,615	412	3,649	77,677	(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 changes to Forecast:

Further inclusion of £1.8m to bring the total Forecasted release of Earmarked Reserves in line with the Reserves Strategy paper.

£47k reduction in grant income for Firelink.

£314k of covid income was re allocated from Grant income to Reserves.

Balance Sheet - 30th October 2021

	31st Oct 2021 £000's	30th Sep 2021 £000's	31st Mar 2021 £000's	Variance Sep 2021 £000's	Variance Mar 2021 £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	1,573	1,486	751	87	822
Long term assets	136,866	136,779	137,387	87	(521)
Inventories	653	638	642	14	11
Short term debtors	1,808	2,025	6,363	(217)	(4,555)
Cash and cash equivalents	28,501	28,985	17,696	(483)	10,805
Assets held for sale	315	315	912	-	(597)
Current assets	31,276	31,963	25,612	(686)	5,664
* Short term borrowings	-	-	(250)	-	250
Short term creditors	(5,836)	(5,655)	(6,954)	(181)	1,118
Grants received in advance	(5,071)	(6,304)	(1,049)	1,233	(4,022)
Current liabilities	(10,907)	(11,959)	(8,253)	1,053	(2,654)
Long term borrowing	(24,500)	(24,500)	(24,500)	-	-
Provisions	(1,112)	(1,110)	(1,161)	(3)	49
* Pension liability - LGPS	(38,242)	(38,242)	(38,242)	-	-
Pension liability - FPS	(886,391)	(886,391)	(886,443)	-	52
Long term liabilities	(950,245)	(950,243)	(950,346)	(3)	101
NET LIABILITIES	(793,010)	(793,460)	(795,600)	450	2,591
Usable reserves					
General fund	5,508	5,243	4,351	265	1,157
Earmarked general fund reserves	12,214	12,354	13,481	(140)	(1,268)
Capital receipts reserve	11,633	11,633	9,669	-	1,964
Usable reserves	29,355	29,230	27,502	125	1,853
Unusable reserves					
Revaluation reserve	37,178	37,178	38,180	-	(1,002)
Capital adjustment account	69,088	68,763	67,401	325	1,687
* 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	(822,364)	(822,689)	(823,102)	325	737
TOTAL RESERVES	(793,009)	(793,459)	(795,600)	450	2,591

* 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:

- £0.5m reduction in cash and cash equivalents as cash outflows exceeded inflows for the month, as seen in the cashflow on page 8.

- Short term debtors have reduced primarily due to a smaller VAT reclaim for October as well as other immaterial movements.

Current Liabilities

- £0.2m increase in short term creditors due to accrual movements in the month.

- Grants received in advance have reduced by £1.2m in the month. This includes grants released to income of £267k and a reduction in the pension fund surplus of £967k. 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 £1,128k.

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

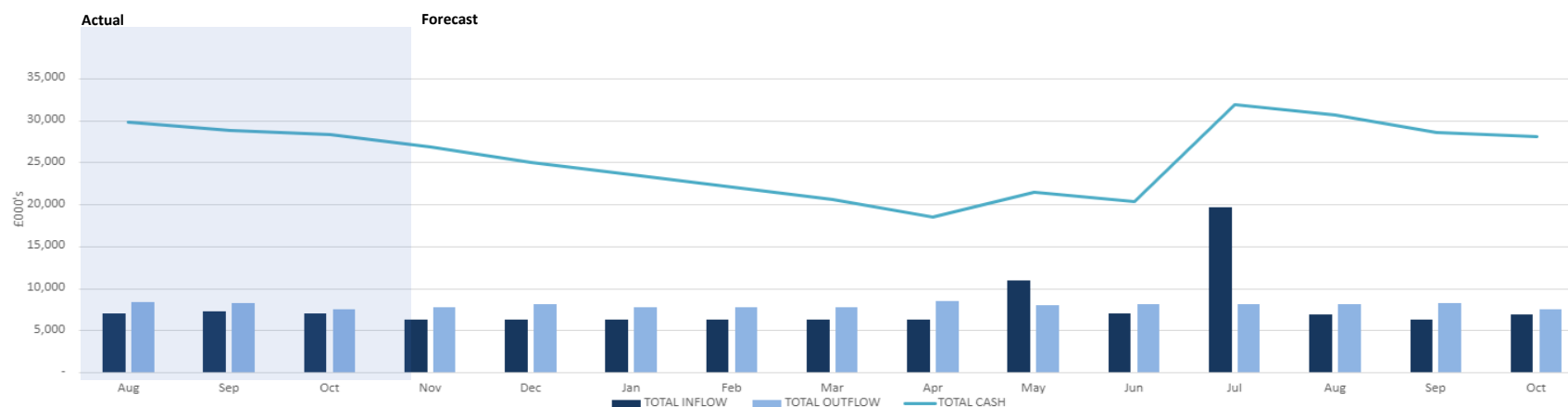
The Authority has continued to accrue for MRP charges, which is shown in the YTD movement in the capital adjustment account of £1,687k. This is the net of MRP charges of £2,625k offset by disposals adjustments of £938k.

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

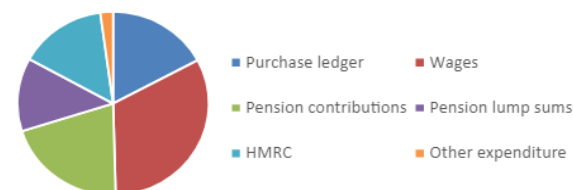
Total cash and investments at the end of October was £28.5m, down from £28.8m in September. Key inflows and outflows for the month are summarised below:

- Income includes precepts of £5.3m and grants of £1.4m.
- Purchase ledger payments totalled £1.1m 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.

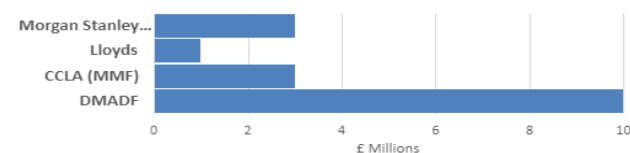
TREASURY MANAGEMENT INDICATORS

	<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	£28.5m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.01%	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:		
Under 12 months	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.
12 months and within 24 months	4%	
24 months and within 5 years	8%	
5 years and within 10 years	61%	
10 years and within 15 years	27%	
15 years and above	0%	

EXPENDITURE ANALYSIS



INVESTMENTS



Essex County Fire & Rescue Service - Capital Expenditure as at 31st October 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	1,700	(74)	1,626	424
Asset Improvement Works Training Facilities Improvement	1,651	1,446	-	1,446	7
Asset Improvement Works - Shoeburyness	906	250	-	250	11
Total Property	4,507	3,396	(74)	3,322	441
Equipment	246	246	(50)	196	22
Information Technology					
Projects	570	943	-	943	67
Total Information Technology	570	943	-	943	67
Vehicles					
New Appliances	2,330	-	980	980	-
Other Vehicles	978	667	(186)	481	292
Total Vehicles	3,308	667	794	1,461	292
Total Capital Expenditure	8,630	5,251	670	5,921	822

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

4/1

* 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	292,000	(186,000)	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	667,253	793,830	1,461,083	291,972	2,475,000
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	(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	(20,000)	-	-	-
Total B116 - Operational Equipment	245,851	245,851	(50,000)	195,851	22,149	25,324
B114 - ICT Equipment						
Digital & Data Strategy						
DEVICES	130,000	53,333	-	53,333	-	-
VOICE	-	215,000	-	215,000	67,193	17,341
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	67,193	17,341

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



* 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	10,536	53,644
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	-	115,458
Deep lift pits	60,000	-	-	-	-	-
Consultancy	8,682	8,682	-	8,682	-	-
Total B117 - Asset Improvement	2,556,603	1,695,688	-	1,695,688	17,066	191,531
B118 - Asset Protection						
Projects carried forward from 20/21:						
Colchester FP/WFS Offices	7,000	7,000	8,000	15,000	14,052	4,032
Orsett Appliance Bay	35,000	35,000	(2,000)	33,000	32,728	-
Southend Boilers	22,000	22,000	(3,000)	19,000	18,557	-
Fire Alarms	5,000	50,000	(1,000)	49,000	41,041	-
Burnham AB Floor	35,000	8,000	9,000	17,000	16,763	-
Projects commencing 21/22:						
Dunmow Yard	140,000	140,000	(140,000)	-	-	-
Great Baddow Windows	130,000	130,000	(9,000)	121,000	108,075	-
Park Pond - lake works	346,000	346,000	(141,000)	205,000	54,135	50,387
Park Pond - liner repairs	-	75,000	30,000	105,000	104,517	-
Park Pond - building management system	-	56,000	(56,000)	-	-	-
Orsett - No time to lose	25,000	25,000	-	25,000	17,955	-
Rayleigh Parking	10,000	10,000	(5,000)	5,000	4,473	-
Harlow boilers	180,000	220,000	-	220,000	-	-
Baddow boilers	180,000	220,000	-	220,000	-	-
Chelmsford TC boilers	80,000	40,000	-	40,000	-	-
Grays Heater	25,000	35,000	-	35,000	-	-
Witham TC boiler	50,000	80,000	-	80,000	-	-
Harlow mains	35,000	60,000	-	60,000	-	-
Appliance bay floors (Halstead, Tollesbury, Weeley)	175,000	175,000	21,000	196,000	18,943	-
Witham TC offices	100,000	120,000	1,000	121,000	-	-
Epping part refurbishment	60,000	-	-	-	-	-
Waltham Abbey drill yard	60,000	60,000	-	60,000	-	-
Orsett Fra (50%)	240,000	240,000	(240,000)	-	-	-
Other	-	-	-	-	5,697	-
Provision for limited capacity **	(240,000)	(454,000)	454,000	-	-	-
B118 - Asset Protection	1,700,000	1,700,000	(74,000)	1,626,000	423,536	54,419
TOTAL FORECAST 2021-22	8,629,504	5,251,298	669,830	5,921,128	821,128	2,763,615



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:

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



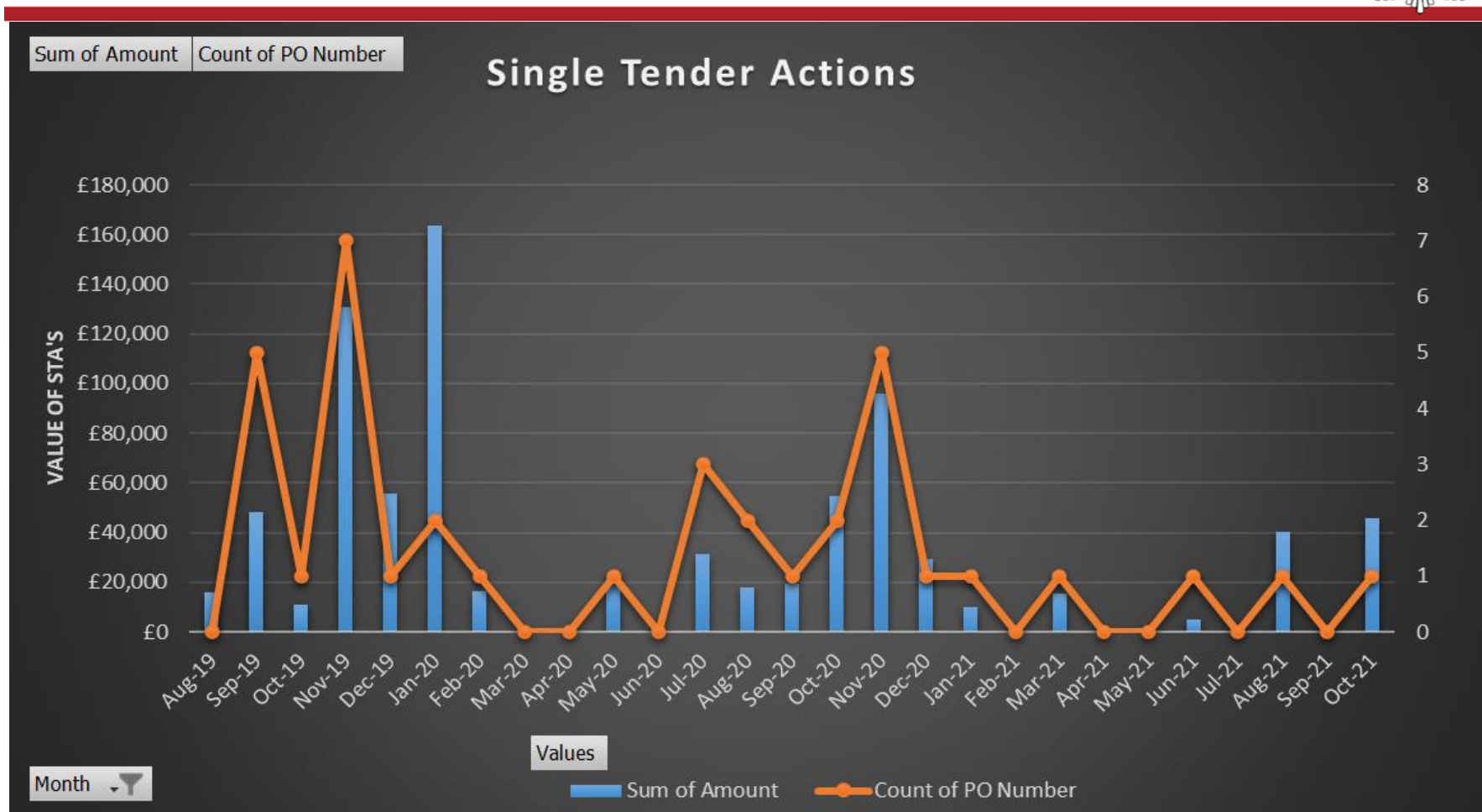
Appendices

2021/22 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 was one Single Tender Actions in the month for October 2021:

Value	Department	Supplier	Justification
£45,540	Operational Training	Lee Valley	Hire of Lee Valley centre for water rescue training. The justification is technical as there is only one other supplier in Nottingham but with the additional cost for travel and accomodation it wouldn't represent the best value.

Essex County Fire & Rescue Service
Oct-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	Aug-21	Sep-21	Oct-21	21/22 Costs	Further Expected costs
	£	£	£	£	£	£	£	£	£	£
On Call additional costs - service response	0								0	0
Wholetime overtime (including control)- service response	32,800								0	0
On Call additional costs - LRF support	201,529								0	0
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
ARA's Recovery	13,300								0	0
Other	3,967	864				0	0	3,093	3,957	0
Sub-Total: Staffing costs	261,787	864	0	0	0	0	0	3,093	3,957	0

Est Total Cost	Comments
0	
32,800	Recall to duty payments
201,529	
0	
0	
0	
10,191	
13,300	
7,925	
265,745	

II - PROTECTIVE EQUIPMENT

PPE	Various	323,142							0	16,000	
Cleaning and decontamination supplies	9501	178,688			15,801	76,666	650	16,459	33,037	142,614	51,560
Lateral Flow Tests		74,100								0	0
Sub-Total: Equipment		575,930	0	0	15,801	76,666	650	16,459	33,037	142,614	67,560

339,142	
372,861	Additional Cleaning at Stations - £10,174 (move to 10,390 in Apr 21) + £2,500 p/m wipes / sprays
74,100	
786,103	

III - OTHER COSTS

ICT Infrastructure and licencing	9501	228,905					11,095		11,095	40,000	
Thermometers	9501	1,199							0	0	
Signage		44,745							0	0	
Other		16,608	1,234	12,060	27,287	4,364	921	-52,156	-6,291	131,829	
Recharge of PPE		-9,837							0	0	
Changes to Workplace on return to work		0	0						0	100,000	
Sub-Total: Other costs		281,620	0	1,234	12,060	27,287	4,364	12,016	-52,156	4,804	211,829
TOTAL ADDITIONAL COSTS		1,119,337	0	1,234	27,861	103,953	5,014	28,475	-16,026	151,375	279,389

280,000	catch up of ICT voice project costs in capitalin P6
1,199	
44,745	
142,146	£52k credit relating to stock take adjustments £11k relating to Bureau Veritas & £132k Classroom and toilet block in Weathersfield training room
-9,837	Recharge of PPE to West Mids FRS
100,000	
558,254	
1,610,102	

REVENUE SPEND	897,050
CAPITAL SPEND	222,288
1,119,337	
STOCK SPEND	298,421
Amount of 2020/21 Grant remaining	251,225

Amount of Grant remaining
% OF GRANT REMAINING

292,225
15.4%

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	1	3	-	-	-	-	
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	-	-	-	4	-	4	
THIS UPDATE			8	45	7	37	1	8	1	8	
			53		44		9		9		
			Percentage complete			83%		Percentage overdue			100%
LAST UPDATE			8	45	6	36	2	9	2	5	
			53		42		11		7		
			Percentage complete			79%		Percentage overdue			64%

Internal Audit Programme Update

A revised audit report was received for the Fleet Management audit. Sponsors are currently reviewing, to agree a final report this month.

Fieldwork has completed for the Competency Management System audit, with a final report expected to be agreed this month.

The next audit will be focused on Key Financial Controls, which is planned to commence in November.

External Audit Update

The Value for Money audit is commencing this month, with Grant Thornton reviewing key strategies and processes which will inform their opinion, due to be delivered in December.

Updates On Outstanding Recommendations

There are no new recommendations since the last update with a total of 53 actions tracked.

Two recommendation have been completed in the month, relating to the overdue Non-Operational H&S and GDPR actions.

There are 9 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.