

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



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

**SUMMARY**

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

# Executive Summary



## Results for the period to December 2021

There was a Deficit of £221k in December 2021 bringing the YTD position to a surplus of £1.26m (with a Core surplus of £1.33m).

Total pay costs YTD show an overspend of £1.59m, which after £494k of unbudgeted Earmarked Reserve costs, shows the Core overspend of £1.09m.

The Core overspend includes a Wholetime variance of £615k (£100k for protection payments, £408k for Additional Shift Working and £272k for the pay award, the offset comes through underspend shown in the restructure of the Prevention team.

On Call also has a large variance of £433k due to the unbudgeted conversion costs and pay award. In December on Call costs showed a £106k variance of which £50k higher turnout costs compared to prior years, the other £50k made up of higher disturbance and drill training costs.

Total non pay costs show £356K underspend, which includes £190k of Covid costs and £418k of unbudgeted Earmarked Reserve spend and a continuing Core variance underspend of £964k underspend.

The key underspends are in Financing items and Premises and Equipment. The capital financing charge is £438k lower than budget, this cost reduction is included within the latest Forecast projection. ICT is also showing a £240k underspend in the Core costs and a further £100k underspend in property maintenance.

Specific grant income is now reported within funding.

YTD funding is £991k higher than the budgeted position, this relates to £359k in NNDR funding, £549k Specific government grant income and £153k council tax precept amounts from the prior year.

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

The specific government grant income of £549k is due to the Local council tax support grant.

## Balance Sheet Statement and Cashflow Forecast

The Balance Sheet report on page 7 shows the key monthly rather than year to date movements.

- Cash and cash equivalents has reduced from £27.9m to £23.3m in the month, this is mainly due to expenditure on appliances, along with two pension payments falling within the month.
- The Cashflow Forecast on page 8 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 show a reduction in the forecast of £1.8m the main reasons for this are detailed below:

- £147k reduction in vehicle expenditure, due to supplier delays to light vehicles.
- £110k reduction in operational equipment, due to delays in procurement and discussions with rep bodies.
- £450k reduction in ICT expenditure, due to the rephasing of station end equipment. Delivery is expected alongside the 22/23 infrastructure project.
- £969k reduction in asset improvement, due to delays to the Shoeburyness and Training projects.
- £118k reduction in asset protection due to the rephasing of various projects.

## Forecast

An updated Q3 forecast is being reviewed, a trend based forecast has been included for December.

## YTD Summary Income and Expenditure Statement to December 2021



Prior Year YTD Actuals £'000s	Prior year YTD Budget £'000s	Prior Year Variance (Actuals Vs Budget)	Description	Core YTD Actual £'000s	COVID £'000s	Earmarked Projects £'000s	YTD Actual £'000s	Core YTD Budget £'000s	COVID Budget £'000s	Earmarked Projects Budget £'000s	YTD Budget £'000s	Budget Vs Actuals £'000s	Variance %	Core Budget Vs Core Actuals £'000s	Variance %
26,004	26,274	270	Wholetime Firefighters	26,253	-	316	26,569	25,637	-	279	25,917	(652)	(3%)	(615)	(2%)
4,911	4,741	(170)	On Call Firefighters	5,637	-	-	5,637	5,204	-	-	5,204	(433)	(8%)	(433)	(8%)
1,161	1,061	(100)	Control	1,177	-	-	1,177	1,175	-	-	1,175	(1)	(0%)	(1)	(0%)
11,144	10,921	(223)	Support Staff	11,308	4	546	11,858	11,264	-	89	11,353	(504)	(4%)	(43)	(0%)
<b>43,220</b>	<b>42,996</b>	<b>(224)</b>	<b>Total Employment Costs</b>	<b>44,375</b>	<b>4</b>	<b>862</b>	<b>45,240</b>	<b>43,281</b>	<b>-</b>	<b>368</b>	<b>43,649</b>	<b>(1,591)</b>	<b>(4%)</b>	<b>(1,094)</b>	<b>(3%)</b>
1,279	1,627	347	Support Costs	1,545	43	115	1,702	1,608	-	-	1,608	(94)	(6%)	63	4%
8,061	8,008	(52)	Premises & Equipment	7,162	137	256	7,554	7,518	-	-	7,518	(36)	(0%)	356	5%
2,141	2,474	333	Other Costs & Services	2,443	11	47	2,502	2,459	-	-	2,459	(42)	(2%)	16	1%
1,741	1,744	4	Ill health pension costs	1,574	-	-	1,574	1,646	-	-	1,646	72	4%	72	4%
4,174	4,187	13	Financing Items	4,205	-	-	4,205	4,661	-	-	4,661	456	10%	456	10%
<b>17,396</b>	<b>18,041</b>	<b>645</b>	<b>Total Other Costs</b>	<b>16,930</b>	<b>190</b>	<b>418</b>	<b>17,538</b>	<b>17,893</b>	<b>-</b>	<b>-</b>	<b>17,893</b>	<b>356</b>	<b>2%</b>	<b>964</b>	<b>5%</b>
-	-	-	Investment in productivity improvement	-	-	-	-	(0)	(0)	(0)	-	-	-	-	-
<b>60,616</b>	<b>61,037</b>	<b>421</b>	<b>Gross Expenditure</b>	<b>61,304</b>	<b>194</b>	<b>1,280</b>	<b>62,778</b>	<b>61,174</b>	<b>(0)</b>	<b>368</b>	<b>61,542</b>	<b>(1,236)</b>	<b>(2%)</b>	<b>(130)</b>	<b>(0%)</b>
<b>(1,004)</b>	<b>(1,013)</b>	<b>(9)</b>	<b>Operational income</b>	<b>(1,168)</b>	<b>-</b>	<b>-</b>	<b>(1,168)</b>	<b>(731)</b>	<b>-</b>	<b>-</b>	<b>(731)</b>	<b>437</b>	<b>(60%)</b>	<b>437</b>	<b>(60%)</b>
<b>59,612</b>	<b>60,024</b>	<b>412</b>	<b>Net Expenditure before Funding</b>	<b>60,136</b>	<b>194</b>	<b>1,280</b>	<b>61,610</b>	<b>60,443</b>	<b>(0)</b>	<b>368</b>	<b>60,811</b>	<b>(798)</b>	<b>(1%)</b>	<b>307</b>	<b>1%</b>
			<b>Funding</b>												
(6,035)	(4,641)	1,394	Government Grants	(5,339)	0	-	(5,339)	(4,790)	-	-	(4,790)	549	(11%)	549	(11%)
(6,932)	(6,932)	0	Revenue Support Grant	(6,974)	-	-	(6,974)	(6,970)	-	-	(6,970)	4	(0%)	4	(0%)
(12,575)	(12,575)	-	National Non-Domestic Rates	(12,895)	-	-	(12,895)	(12,536)	-	-	(12,536)	359	(3%)	359	(3%)
(361)	(431)	(71)	Council Tax Collection Account	(55)	-	-	(55)	(96)	-	-	(96)	(41)	43%	(41)	43%
(36,089)	(36,061)	27	Council Tax Precept	(36,104)	-	-	(36,104)	(35,952)	-	-	(35,952)	153	(0%)	153	(0%)
(12)	27	39	Council Tax Collection Impact	5	-	-	5	(27)	-	-	(27)	(32)		(32)	
<b>(62,003)</b>	<b>(60,613)</b>	<b>1,390</b>	<b>Total Funding</b>	<b>(61,362)</b>	<b>0</b>	<b>-</b>	<b>(61,362)</b>	<b>(60,371)</b>	<b>-</b>	<b>-</b>	<b>(60,371)</b>	<b>991</b>	<b>(2%)</b>	<b>991</b>	<b>(2%)</b>
<b>(2,391)</b>	<b>(589)</b>	<b>1,802</b>	<b>Funding Gap / (Surplus)</b>	<b>(1,226)</b>	<b>194</b>	<b>1,280</b>	<b>248</b>	<b>72</b>	<b>(0)</b>	<b>368</b>	<b>440</b>	<b>193</b>	<b>44%</b>	<b>1,298</b>	<b>295%</b>
(195)	-	195	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	Cont'ns to/(from) Earmarked Reserves	(36)	(192)	(1,280)	(1,508)	-	-	(368)	(368)	1,140	-	36	(10%)
<b>(195)</b>	<b>-</b>	<b>195</b>	<b>Total Contribution to/(from) Reserves</b>	<b>(36)</b>	<b>(192)</b>	<b>(1,280)</b>	<b>(1,508)</b>	<b>-</b>	<b>-</b>	<b>(368)</b>	<b>(368)</b>	<b>1,140</b>	<b>-</b>	<b>36</b>	<b>(10%)</b>
<b>(2,586)</b>	<b>(589)</b>	<b>1,997</b>	<b>Net Gap / (Surplus)</b>	<b>(1,262)</b>	<b>2</b>	<b>(0)</b>	<b>(1,260)</b>	<b>72</b>	<b>(0)</b>	<b>-</b>	<b>72</b>	<b>1,332</b>	<b>-</b>	<b>1,334</b>	<b>-</b>

## Period Summary Income and Expenditure Statement to December 2021



Prior Year Period Actuals £'000s	Prior year Period Budget £'000s	Prior Year Variance (Actuals Vs Budget)	Description	Core Period Actual £'000s	COVID £'000s	Earmarked Projects £'000s	Period Actual £'000s	Core Budget £'000s	COVID Budget £'000s	Earmarked Projects Budget £'000s	Period Budget £'000s	Budget Vs Actuals £'000s	Variance %	Core Budget Vs Core Actuals £'000s	Variance %
2,885	2,799	(86)	Wholetime Firefighters	2,900	-	26	2,925	2,850	-	23	2,873	(52)	(2%)	(49)	(2%)
615	563	(52)	On Call Firefighters	696	-	-	696	590	-	-	590	(106)	(18%)	(106)	(18%)
131	118	(13)	Control	132	-	-	132	131	-	-	131	(1)	(1%)	(1)	(1%)
1,505	1,397	(108)	Support Staff	1,410	-	28	1,439	1,432	-	7	1,440	1	0%	22	2%
<b>5,135</b>	<b>4,877</b>	<b>(258)</b>	<b>Total Employment Costs</b>	<b>5,138</b>	<b>-</b>	<b>54</b>	<b>5,192</b>	<b>5,003</b>	<b>-</b>	<b>31</b>	<b>5,034</b>	<b>(158)</b>	<b>(3%)</b>	<b>(134)</b>	<b>(3%)</b>
141	181	39	Support Costs	173	3	3	179	179	-	-	179	0	0%	6	3%
748	890	142	Premises & Equipment	847	32	8	887	835	-	-	835	(51)	(6%)	(12)	(1%)
349	270	(79)	Other Costs & Services	311	-	1	313	268	-	-	268	(45)	(17%)	(44)	(16%)
170	177	7	Ill health pension costs	167	-	-	167	177	-	-	177	10	6%	10	6%
464	465	1	Financing Items	451	-	-	451	518	-	-	518	67	13%	67	13%
<b>1,872</b>	<b>1,983</b>	<b>111</b>	<b>Total Other Costs</b>	<b>1,950</b>	<b>35</b>	<b>11</b>	<b>1,996</b>	<b>1,977</b>	<b>-</b>	<b>-</b>	<b>1,977</b>	<b>(19)</b>	<b>(1%)</b>	<b>27</b>	<b>1%</b>
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
<b>7,007</b>	<b>6,860</b>	<b>(148)</b>	<b>Gross Expenditure</b>	<b>7,088</b>	<b>35</b>	<b>66</b>	<b>7,188</b>	<b>6,980</b>	<b>-</b>	<b>31</b>	<b>7,011</b>	<b>(177)</b>	<b>(3%)</b>	<b>(107)</b>	<b>(2%)</b>
<b>(92)</b>	<b>(113)</b>	<b>(21)</b>	<b>Operational income</b>	<b>(169)</b>	<b>-</b>	<b>-</b>	<b>(169)</b>	<b>(81)</b>	<b>-</b>	<b>-</b>	<b>(81)</b>	<b>88</b>	<b>(108%)</b>	<b>88</b>	<b>(108%)</b>
<b>6,916</b>	<b>6,747</b>	<b>(169)</b>	<b>Net Expenditure</b>	<b>6,919</b>	<b>35</b>	<b>66</b>	<b>7,019</b>	<b>6,899</b>	<b>-</b>	<b>31</b>	<b>6,930</b>	<b>(89)</b>	<b>(1%)</b>	<b>(20)</b>	<b>(0%)</b>
			<b>Funding</b>												
(559)	(516)	44	Government Grants	(581)	-	-	(581)	(532)	-	-	(532)	48	(9%)	48	(9%)
(513)	(513)	0	Revenue Support Grant	(516)	-	-	(516)	(516)	-	-	(516)	-	-	-	-
(1,375)	(1,375)	-	National Non-Domestic Rates	(1,370)	-	-	(1,370)	(1,370)	-	-	(1,370)	-	-	-	-
(39)	(48)	(9)	Council Tax Collection Account	(5)	-	-	(5)	(5)	-	-	(5)	-	-	-	-
(4,177)	(4,172)	4	Council Tax Precept	(4,160)	-	-	(4,160)	(4,160)	-	-	(4,160)	-	-	-	-
(2)	3	5	Council Tax Collection Impact	(1)	-	-	(1)	(3)	-	-	(3)	(2)		(2)	
<b>(6,665)</b>	<b>(6,621)</b>	<b>44</b>	<b>Total Funding</b>	<b>(6,633)</b>	<b>-</b>	<b>-</b>	<b>(6,633)</b>	<b>(6,587)</b>	<b>-</b>	<b>-</b>	<b>(6,587)</b>	<b>46</b>	<b>(1%)</b>	<b>46</b>	<b>(1%)</b>
<b>251</b>	<b>126</b>	<b>(125)</b>	<b>Funding Gap / (Surplus)</b>	<b>285</b>	<b>35</b>	<b>66</b>	<b>386</b>	<b>312</b>	<b>-</b>	<b>31</b>	<b>342</b>	<b>(43)</b>		<b>27</b>	
-	-	-	Cont'ns to/(from) General Bals	(28)	-	-	(28)	-	-	-	-	28	-	28	-
-	-	-	Cont'ns to/(from) Earmarked Reserves	(36)	(35)	(66)	(136)	-	-	-	-	136	-	36	-
-	-	-	<b>Total Contribution to/(from) Reserves</b>	<b>(64)</b>	<b>(35)</b>	<b>(66)</b>	<b>(164)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>-</b>	<b>64</b>	<b>-</b>
<b>251</b>	<b>126</b>	<b>(125)</b>	<b>Net Gap / (Surplus)</b>	<b>221</b>	<b>0</b>	<b>(0)</b>	<b>221</b>	<b>312</b>	<b>-</b>	<b>31</b>	<b>342</b>	<b>121</b>		<b>90</b>	

# Operational Income

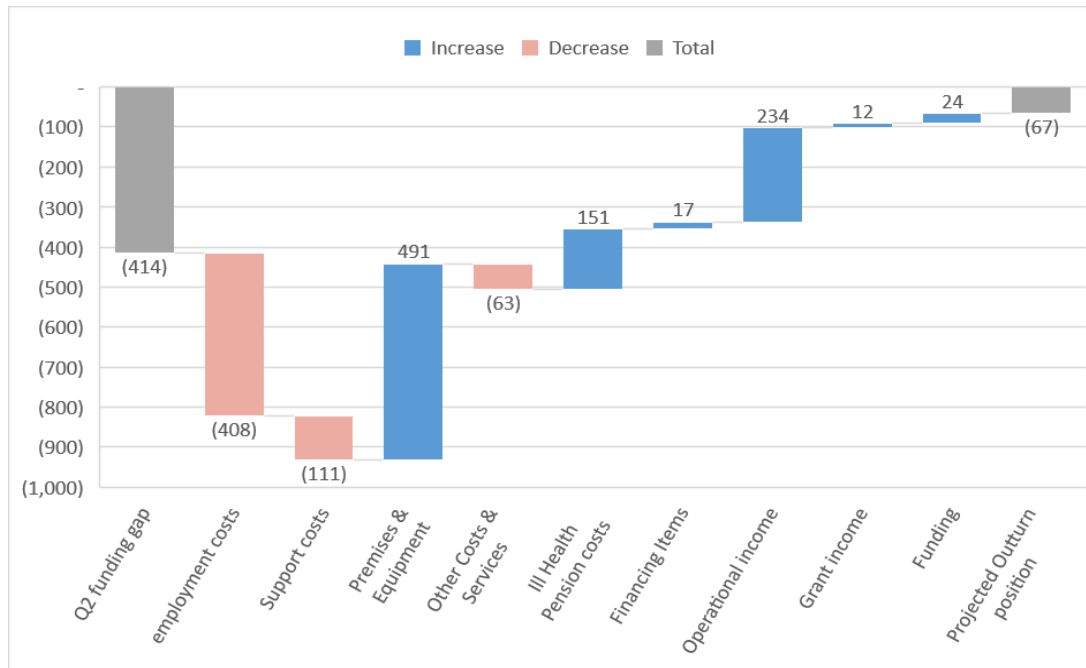


Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(27,830)	(22,509)	5,321	(24%)	(30,006)	
Childcare Vouchers	(25,971)	(48,753)	(22,782)	47%	(65,004)	
Canteen Income	(27,641)	(37,503)	(9,862)	26%	(50,004)	
Sale of Vehicle Spares	(49,124)	(18,747)	30,377	(162%)	(25,000)	
Aerial Sites	(101,816)	(116,739)	(14,923)	13%	(155,652)	
Solar Panel Income	(32,339)	(37,503)	(5,164)	14%	(50,000)	
Hydrant Tests	(33,732)	(67,500)	(33,768)	50%	(90,000)	
Lease Cars - Employee Contributions	(5,355)	(11,250)	(5,895)	52%	(15,000)	
Service Charges	(366)	(450)	(84)	19%	(600)	
Secondments	(140,325)	0	140,325	0%	0	
Community Safety General	1,408	0	(1,408)	0%	0	
Labour Credit	(61,347)	(41,247)	20,100	(49%)	(55,000)	
Section 13/16	(56,371)	(33,750)	22,621	(67%)	(45,000)	
Provision of Hire Vehicles & Equipment	(1,476)	(1,503)	(27)	2%	(2,000)	
Interest Received Short Term Investments	(2,549)	(18,747)	(16,198)	86%	(24,996)	
Community Safety Youth Work	(36,450)	(74,997)	(38,547)	51%	(99,998)	
Shared Services Income	(466,858)	(136,503)	330,355	(242%)	(182,001)	
Reimbursements from EFA(T)	0	0	0	0%	0	
Other Miscellaneous Income	(58,157)	(63,378)	(5,221)	8%	(84,499)	
<b>Total Operational Income</b>	<b>(1,168,401)</b>	<b>(731,079)</b>	<b>437,322</b>	<b>(60%)</b>	<b>(974,760)</b>	

## Specific Government Grants Income

Specific Government Grants	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Addn Pens Grant Accr	(2,637,409)	(2,637,409)	0	0%	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution
DCLG BRR 2021-22	(1,042,579)	(1,005,210)	37,369	(4%)	(1,340,280)	Business Rate relief
USAR Grant 2021-22	(642,420)	(642,885)	(465)	0%	(856,560)	
Firelink Grant 2021-22	(422,381)	(495,881)	(73,500)	15%	(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	(559,366)	0	559,366	0%	0	£62k released monthly as additional one off Grant
Other Grant Income	(34,861)	(8,625)	26,236		(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.
<b>Subtotal-Govt Grants</b>	<b>(5,339,016)</b>	<b>(4,790,009)</b>	<b>549,006</b>	<b>11%</b>	<b>(6,387,143)</b>	

## Movement in projected core outturn compared to Q2 forecast (Excludes any reserve funded movements)



### Key core movements:

- Employment costs - Increase in costs of £408k, this is driven by the trends in actuals for Wholetime and On Call costs.
- Support costs- £91k additional costs due to redundancy costs coming through the actuals.
- Premises and Equipment - Favourable movement in expected costs, lower information systems costs are coming through the core actual spend along with lower community safety and home safety activity. The trends show that activity levels are unlikely to pick back up to full capacity.
- Operational income - Favourable movement based on actual core income trends, particularly secondment income and shared service income.
- Funding (Council Tax Movements) - Favourable due to prior year funds coming through, £359k of NNDR and £153k Council tax precept amounts included in the actuals.

## Balance Sheet - 31st December 2021



Essex County  
Fire & Rescue Service

	31st Dec 2021 £000's	30th Nov 2021 £000's	31st Mar 2021 £000's	Variance to Nov 2021 £000's	Variance Mar 2021 £000's
<b>Property, plant &amp; equipment</b>					
Land and buildings	123,522	123,890	125,232	(368)	(1,710)
* Vehicles, plant & equipment	11,404	11,404	11,404	-	-
Assets under construction	2,796	1,739	751	1,057	2,045
<b>Long term assets</b>	<b>137,721</b>	<b>137,032</b>	<b>137,387</b>	<b>689</b>	<b>335</b>
Inventories	612	667	642	(55)	(30)
Short term debtors	4,945	1,883	6,363	3,063	(1,417)
Cash and cash equivalents	23,260	27,940	17,696	(4,680)	5,565
Assets held for sale	315	315	912	-	(597)
<b>Current assets</b>	<b>29,133</b>	<b>30,805</b>	<b>25,612</b>	<b>(1,672)</b>	<b>3,520</b>
* Short term borrowings	-	-	(250)	-	250
Short term creditors	(6,611)	(5,907)	(6,954)	(704)	342
Grants received in advance	(2,499)	(4,142)	(1,049)	1,644	(1,450)
<b>Current liabilities</b>	<b>(9,110)</b>	<b>(10,050)</b>	<b>(8,253)</b>	<b>940</b>	<b>(857)</b>
Long term borrowing	(24,500)	(24,500)	(24,500)	-	-
Provisions	(1,085)	(1,085)	(1,161)	-	77
* Pension liability - LGPS	(38,242)	(38,242)	(38,242)	-	-
Pension liability - FPS	(886,391)	(886,391)	(886,443)	-	52
<b>Long term liabilities</b>	<b>(950,218)</b>	<b>(950,218)</b>	<b>(950,346)</b>	<b>-</b>	<b>129</b>
<b>NET LIABILITIES</b>	<b>(792,473)</b>	<b>(792,430)</b>	<b>(795,600)</b>	<b>(43)</b>	<b>3,127</b>
<b>Usable reserves</b>					
General fund	5,617	5,838	4,351	(221)	1,265
Earmarked general fund reserves	11,974	12,138	13,481	(164)	(1,508)
Capital receipts reserve	12,018	11,633	9,669	385	2,349
<b>Usable reserves</b>	<b>29,609</b>	<b>29,609</b>	<b>27,502</b>	<b>(1)</b>	<b>2,107</b>
<b>Unusable reserves</b>					
Revaluation reserve	36,987	37,178	38,180	(191)	(1,192)
Capital adjustment account	69,562	69,413	67,401	148	2,160
* 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
<b>Unusable reserves</b>	<b>(821,714)</b>	<b>(822,039)</b>	<b>(823,102)</b>	<b>(43)</b>	<b>1,020</b>
<b>TOTAL RESERVES</b>	<b>(792,106)</b>	<b>(792,430)</b>	<b>(795,600)</b>	<b>(43)</b>	<b>3,127</b>

\* 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.
- One property was sold in the month for £385k, with a net book value of £368k.

#### Current Assets:

- Short term debtors have increased, primarily due to:
  - Increase in prepayments of £0.4m due to quarterly invoices.
  - Increase in NNDR debtor of £0.8m due to year end adjustments (reclassified to short term creditors).
- £1.4m pension debtor adjustment due to pension deficit.
- £4.7m reduction in cash and cash equivalents as cash outflows exceeded inflows for the month, as seen in the Cashflow statement on page 8.

#### Current Liabilities

- Short term creditors have increased by £0.7m in the month, mainly due to year end adjustments (as mentioned above).
- Grants received in advance have reduced by £1.6m in the month. This includes grants released to income of £0.4m and a reduction in the pension fund surplus of £1.2m. 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.

#### Reserves:

The movements in General and Earmarked Reserves ties back to the YTD Summary Income and Expenditure Statement on page 3 and reflect a transfer from Earmarked Reserves of £1,508k.

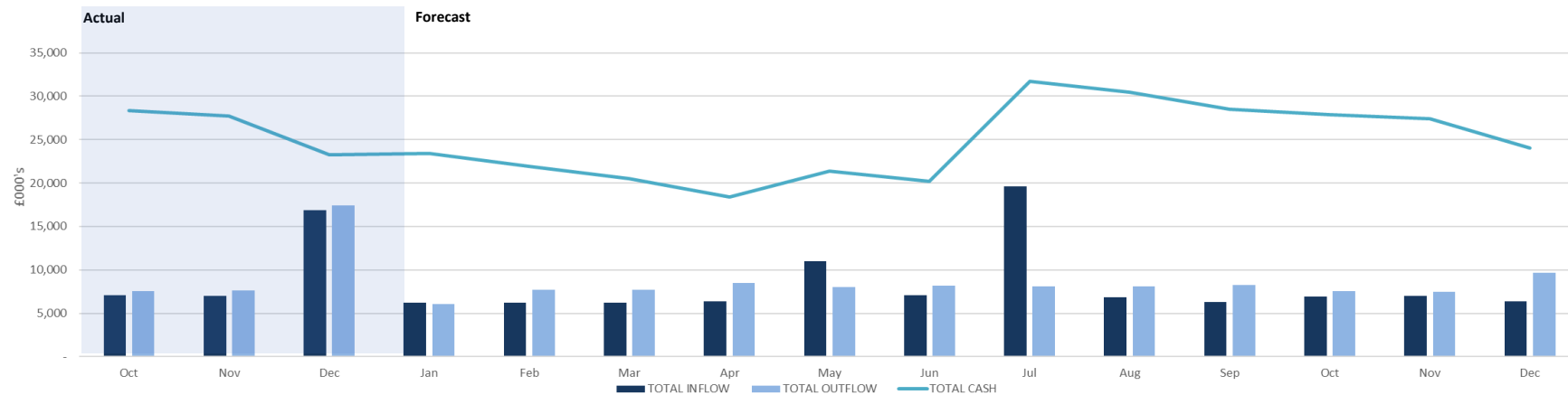
The Authority has continued to accrue for MRP charges, which is shown in the YTD movement in the capital adjustment account of £2,160k. This is the net of MRP charges of £3,275k offset by disposals adjustments of £1,115k.

The year to date reduction of £1,192k in the revaluation reserve is due to disposals, representing previously recognised gains on valuation.



# Cashflow Forecast

## FORECAST CASH INFLOWS AND OUTFLOWS



## COMMENTARY

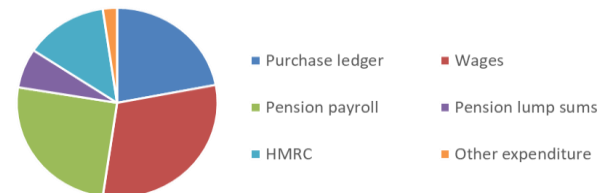
Total cash and investments at the end of December was **£23.3m**, down from **£27.9m** in November. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of **£4.7m**, grants of **£1.4m** and returned investments of **£10.0m**.
- Cash outflows include purchase ledger payments of **£3.4m** - this is particularly high due to the payment of fire appliance invoices in the month which totalled **£1.2m**.
- There were two pension payroll payments in the month rather than one, totalling **£1.7m** each - one on the 1st and the second on the 31st December, due to the timing of payments.
- **£6.0m** was re-invested with the UK Debt Management Office to maintain compliance with the treasury management strategy.

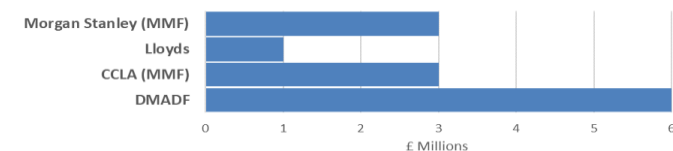
## TREASURY MANAGEMENT INDICATORS

	<u>Actual</u>	<u>Explanation of Indicators</u>
<b>Credit risk indicator</b>	AAA	The average credit rating of investments must be A or greater.
<b>Liquidity risk indicator</b>	£23.3m	The target cash available within 3 months is £8.5m.
<b>Monthly interest rate movement</b>	0.01%	No change in weighted average interest.
<b>Price risk indicator</b>	£nil	The limit on the amount that can be invested beyond 12 months.
<b>Refinancing rate indicator:</b>		
<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 (PWLB) 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 31st December 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	1,650	(118)	1,533	593
Asset Improvement Works Training Facilities Improvement	1,651	876	(730)	145	7
Asset Improvement Works - Shoeburyness	906	250	(239)	11	11
<b>Total Property</b>	<b>4,507</b>	<b>2,776</b>	<b>(1,087)</b>	<b>1,689</b>	<b>611</b>
<b>Equipment</b>	<b>246</b>	<b>196</b>	<b>(110)</b>	<b>86</b>	<b>22</b>
<b>Information Technology</b>					
Projects	570	943	(450)	493	140
<b>Total Information Technology</b>	<b>570</b>	<b>943</b>	<b>(450)</b>	<b>493</b>	<b>140</b>
<b>Vehicles</b>					
New Appliances	2,330	980	-	980	980
Other Vehicles	978	481	(147)	334	292
<b>Total Vehicles</b>	<b>3,308</b>	<b>1,461</b>	<b>(147)</b>	<b>1,314</b>	<b>1,272</b>
<b>Total Capital Expenditure</b>	<b>8,630</b>	<b>5,376</b>	<b>(1,794)</b>	<b>3,582</b>	<b>2,045</b>

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



\* To be agreed at asset board

	Budget 2021/22	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend	Spend Brought Forwards	Committed Orders
<b>B113 - Vehicles</b>							
Appliances (Pumping)	2,330,000	979,830	-	979,830	979,830	-	-
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	(146,898)	22,102	22,102	-	180,085
Ramps	-	40,000	-	40,000	-	-	-
Ladders	94,500	8,253	-	8,253	8,253	-	-
<b>Total B113 - Vehicles</b>	<b>3,307,500</b>	<b>1,461,083</b>	<b>(146,898)</b>	<b>1,314,185</b>	<b>1,271,802</b>	<b>-</b>	<b>180,085</b>
<b>B116 - Operational Equipment</b>							
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	-	-	-	-	-	-
Smoke curtains	30,000	30,000	-	30,000	-	-	-
Body warn CCTV	30,000	30,000	(30,000)	-	-	-	-
Fog spikes	20,000	-	-	-	-	-	-
<b>Total B116 - Operational Equipment</b>	<b>245,851</b>	<b>195,851</b>	<b>(110,000)</b>	<b>85,851</b>	<b>22,149</b>	<b>-</b>	<b>25,324</b>
<b>B114 - ICT Equipment</b>							
Digital & Data Strategy							
DEVICES	130,000	53,333	-	53,333	-	-	-
VOICE	-	215,000	-	215,000	140,354	-	6,582
<b>Other Projects</b>							
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	-	-	-
<b>Total B114 - ICT Equipment</b>	<b>569,550</b>	<b>942,506</b>	<b>(450,000)</b>	<b>492,506</b>	<b>140,354</b>	<b>-</b>	<b>6,582</b>

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



\* To be agreed at asset board

	Budget 2021/22	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend	Spend Brought Forwards	Committed Orders
<b>B112 - Land &amp; Building</b>							
Lexden Workshops Relocation	250,000	-	-	-	-	-	-
<b>Total B112 - Land &amp; Building</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Asset Improvement Works - Shoeburyness	905,814	250,000	(238,664)	11,336	11,336	94,186	52,844
<b>Asset Protection Works - Training Facilities:</b>							
Phase 1 - Chelmsford, Greys, Southend, SWF	212,012	504,000	(497,470)	6,530	6,530	185,000	22,428
Phase 2 - Braintree, Brentwood	429,089	233,000	(233,000)	-	-	-	-
Phase 3 - Harlow, Safron Waldon and Clacton	741,000	-	-	-	-	-	-
Witham TC WaH	70,000	-	-	-	-	-	-
Wethersfield TC room/Pilot scheme Grays	130,006	130,006	-	130,006	-	-	107,952
Deep lift pits	60,000	-	-	-	-	-	-
Consultancy	8,682	8,682	-	8,682	-	106,318	-
<b>Total B117 - Asset Improvement</b>	<b>2,556,603</b>	<b>1,125,688</b>	<b>(969,134)</b>	<b>156,554</b>	<b>17,866</b>	<b>385,504</b>	<b>183,225</b>
<b>B118 - Asset Protection</b>							
<b>Projects carried forward from 20/21:</b>							
Colchester FP/WFS Offices	7,000	19,035	-	19,035	14,052	21,022	4,032
Orsett Appliance Bay	35,000	34,362	-	34,362	32,728	32,680	-
Southend Boilers	22,000	38,178	-	38,178	18,557	78,895	-
Fire Alarms	5,000	41,040	-	41,040	41,041	114,296	-
Burnham AB Floor	35,000	31,683	-	31,683	29,698	39,750	-
<b>Projects commencing 21/22:</b>							
Dunmow Yard	140,000	-	-	-	-	-	-
Great Baddow Windows	130,000	118,330	-	118,330	114,545	3,486	-
Park Pond - lake works	346,000	209,000	-	209,000	191,930	-	31,616
Park Pond - liner repairs	-	111,000	-	111,000	123,294	-	-
Park Pond - building management system	-	60,000	-	60,000	-	-	-
Orsett - No time to lose	25,000	25,082	-	25,082	17,955	-	-
Rayleigh Parking	10,000	5,576	-	5,576	4,473	22,099	-
Harlow boilers	180,000	149,448	-	149,448	-	-	149,448
Baddow boilers	180,000	220,000	(130,000)	90,000	-	-	-
Chelmsford TC boilers	80,000	40,000	(15,500)	24,500	-	-	-
Grays Heater	25,000	28,000	-	28,000	-	-	28,627
Witham TC boiler	50,000	80,000	-	80,000	2	-	-
Harlow mains	35,000	84,750	6,073	90,823	-	-	90,826
Appliance bay floors (Halstead, Tollesbury, Weeley)	175,000	196,000	(78,400)	117,600	2,180	53,093	195,118
Witham TC offices	100,000	124,000	-	124,000	-	-	-
Epping part refurbishment	60,000	-	-	-	-	-	-
Waltham Abbey drill yard	60,000	-	-	-	-	-	-
Orsett Fra (50%)	240,000	-	-	-	-	-	-
Chelmsford refurbishment	-	35,000	-	35,000	-	-	-
BA Compressor Installation works - Clacton	-	-	100,000	100,000	-	-	-
Other	-	-	-	-	2,138	-	-
Provision for limited capacity **	(240,000)	-	-	-	-	-	-
<b>B118 - Asset Protection</b>	<b>1,700,000</b>	<b>1,650,484</b>	<b>(117,827)</b>	<b>1,532,657</b>	<b>592,592</b>	<b>365,320</b>	<b>499,667</b>
<b>TOTAL FORECAST 2021-22</b>	<b>8,629,504</b>	<b>5,375,612</b>	<b>(1,793,859)</b>	<b>3,581,753</b>	<b>2,044,762</b>	<b>750,824</b>	<b>894,883</b>



## **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**

<b>LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
List of background documents – including appendices, hardcopy or electronic including any relevant link/s.	
Appendices: Outturn working 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

## Projected Outturn Vs Q2 Forecast (Including P1-9 Actuals)



Description	Core Forecast £'000s	COVID Forecast £'000s	Earmarked Projects Forecast £'000s	Original Q2 Forecast £'000	Core Outturn £'000s	COVID Outturn £'000s	Earmarked Projects Outturn £'000s	Projected Outturn £'000	Movement from Q2 Forecast £'000	Variance %	Core Forecast movement	Variance %
<b>Total Employment Costs</b>	<b>58,697</b>	<b>4</b>	<b>1,253</b>	<b>59,954</b>	<b>59,106</b>	<b>4</b>	<b>1,439</b>	<b>60,549</b>	<b>(594)</b>	<b>(47%)</b>	<b>(408)</b>	<b>(1%)</b>
Support Costs	2,034	37	310	2,382	2,145	43	115	2,302	79	26%	(111)	(5%)
Premises & Equipment	10,053	260	710	11,023	9,562	390	657	10,609	414	58%	491	5%
Other Costs & Services	3,280	111	225	3,616	3,343	11	269	3,623	(7)	(3%)	(63)	(2%)
Ill Health Pension costs	2,250	-	-	2,250	2,099	-	-	2,099	151	-	151	7%
Financing Items	5,509	-	-	5,509	5,492	-	-	5,492	17	-	17	0%
Productivity improvement investment	-	-	1,151	1,151	-	-	-	-	1,151	-	-	-
<b>Total Other Costs</b>	<b>23,127</b>	<b>408</b>	<b>2,396</b>	<b>25,931</b>	<b>22,642</b>	<b>443</b>	<b>1,041</b>	<b>24,126</b>	<b>1,806</b>	<b>75%</b>	<b>485</b>	<b>2%</b>
<b>Gross Operating Expenditure</b>	<b>81,824</b>	<b>412</b>	<b>3,649</b>	<b>85,886</b>	<b>81,747</b>	<b>447</b>	<b>2,480</b>	<b>84,675</b>	<b>1,211</b>	<b>33%</b>	<b>77</b>	<b>0%</b>
Government Grants Income	(7,100)	-	-	(7,100)	(7,112)	-	-	(7,112)	12	-	12	(0%)
Operational income	(1,309)	-	-	(1,309)	(1,543)	-	-	(1,543)	234	-	234	(15%)
<b>Net Expenditure</b>	<b>73,415</b>	<b>412</b>	<b>3,649</b>	<b>77,477</b>	<b>73,092</b>	<b>447</b>	<b>2,480</b>	<b>76,020</b>	<b>1,457</b>	<b>40%</b>	<b>323</b>	<b>0%</b>
<b>Total Funding</b>	<b>(73,002)</b>	<b>(412)</b>	<b>(3,649)</b>	<b>(77,063)</b>	<b>(73,026)</b>	<b>(447)</b>	<b>(2,480)</b>	<b>(75,953)</b>	<b>(1,110)</b>	<b>30%</b>	<b>24</b>	<b>(0%)</b>
<b>Funding Gap/ (Surplus)</b>	<b>414</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>347</b>	<b>-</b>	<b>347</b>	<b>-</b>

## 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	-	-	
<b>THIS UPDATE</b>			<b>8</b>	<b>47</b>	<b>6</b>	<b>39</b>	<b>2</b>	<b>8</b>	<b>2</b>	<b>6</b>	
			55		45		10		8		
			<b>Percentage complete</b>				<b>82%</b>		<b>Percentage overdue</b>		
			<b>80%</b>								
<b>LAST UPDATE</b>			<b>8</b>	<b>47</b>	<b>6</b>	<b>39</b>	<b>2</b>	<b>8</b>	<b>2</b>	<b>6</b>	
			55		45		10		8		
			<b>Percentage complete</b>				<b>82%</b>		<b>Percentage overdue</b>		
			<b>80%</b>								

### Internal Audit Programme Update

The Key Financial Controls audit has completed, providing reasonable assurance over the Services pensions and payroll processes. Implementation dates will be agreed with sponsors and the final report will be agreed in the coming weeks.

The Medium Term Financial Strategy, Value for Money and Efficiency Savings audit will commence in January, with the Follow-up audit scheduled for March. Action owners will be contacted in the coming weeks to provide evidence for the Follow-up audit.

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