

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



Meeting	Fire & Rescue - Performance and Resources Board	Agenda Item	5
Meeting Date	23 February 2022		
Report Author:	Beth Blackburn, Finance Business Partner		
Presented By	Neil Cross - Chief Finance Officer		
Subject	Budget Review - January 2022		
Type of Report:	Information		

SUMMARY

This paper reports on expenditure against budget as at January 2022 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 January 2022

Executive Summary



Results for the period to January 2022

There was a Surplus of £246k in January 2022 bringing the YTD position to a surplus of £1.51m (with a Core surplus of £1.74m).

Total pay costs YTD show an overspend of £1.76m, which after £543k of unbudgeted Earmarked Reserve costs, shows the Core overspend of £1.2m.

The Core overspend includes a Wholetime variance of £615k (£100k for protection payments, £462k 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 £451k due to the unbudgeted conversion costs and pay award.

Total non pay costs show £543K underspend, which includes £227k of Covid costs and £502k of unbudgeted Earmarked Reserve spend and a continuing Core variance of £1m underspend.

The key underspends are in Financing items and Premises and Equipment:

The capital financing charge is £525k lower than budget, this cost reduction is included within the latest Forecast projection.

ICT is also showing a £430k underspend in the Core costs and a further £100k underspend in property maintenance, this is due to timing and the costs are included in the projected outturn.

Specific grant income is now reported within funding.

Operational income in the month was £143k higher than expected, of which £42k was from secondments, £32k from aerial sites and a further £30k from shared services.

YTD funding is £1.0m higher than the budgeted position, this relates to £359k in NNDR funding, £605k Specific government grant income and £153k council tax precept amounts from the prior year.

The specific government grant income of £621k 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 £23.3m to £23.6m in the month, the pension payment for the month fell into last months figures due to timing.
- 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 £117k the main reasons for this are detailed below:

- Asset protection reduced by £110k, £50k for BA compressor installation works and £60k park pond building management and metering.
- A £7k reduction in vehicle ramps.

Other

There were no STA in the month.

CIPFA have announced an exceptional consultation due on 3 March 2022, with the 2 key areas being:

- An amendment to the Code to allow authorities to pause valuations of operational property, plant and equipment for a period of up to two years.
- Deferring the implementation of IFRS 16 Leases for a further year.

YTD Summary Income and Expenditure Statement to January 2022



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 %
28,967	29,171	205	Wholetime Firefighters	29,187	1	341	29,529	28,471	-	279	28,750	(779)	(3%)	(716)	(2%)
5,529	5,304	(226)	On Call Firefighters	6,273	14	-	6,287	5,836	-	-	5,836	(451)	(8%)	(437)	(7%)
1,314	1,179	(135)	Control	1,318	-	-	1,318	1,306	-	-	1,306	(12)	(1%)	(12)	(1%)
12,348	12,113	(235)	Support Staff	12,536	7	570	13,113	12,504	-	89	12,593	(520)	(4%)	(32)	(0%)
48,158	47,767	(391)	Total Employment Costs	49,314	22	911	50,247	48,117	-	368	48,485	(1,761)	(4%)	(1,197)	(2%)
1,518	1,808	290	Support Costs	1,690	64	123	1,876	1,787	-	-	1,787	(89)	(5%)	98	5%
8,723	8,898	175	Premises & Equipment	7,785	152	313	8,250	8,353	-	-	8,353	103	1%	568	7%
2,291	2,756	465	Other Costs & Services	2,725	11	67	2,803	2,740	-	-	2,740	(63)	(2%)	15	1%
1,910	1,921	12	Ill health pension costs	1,776	-	-	1,776	1,823	-	-	1,823	47	3%	47	3%
4,638	4,652	14	Financing Items	4,634	-	-	4,634	5,179	-	-	5,179	545	11%	545	11%
19,080	20,036	956	Total Other Costs	18,610	227	502	19,340	19,883	-	-	19,883	543	3%	1,273	6%
-	-	-	Investment in productivity improvement	-	-	-	-	(0)	(0)	(0)	-	-	-	-	-
67,239	67,803	564	Gross Expenditure	67,924	249	1,414	69,587	68,000	(0)	368	68,368	(1,219)	(2%)	76	0%
(1,132)	(1,126)	6	Operational income	(1,392)	-	-	(1,392)	(812)	-	-	(812)	580	(71%)	580	(71%)
66,107	66,677	570	Net Expenditure before Funding	66,531	249	1,414	68,194	67,188	(0)	368	67,556	(639)	(1%)	656	1%
			Funding												
(6,561)	(5,157)	1,404	Government Grants	(5,928)	0	-	(5,928)	(5,322)	-	-	(5,322)	605	(11%)	605	(11%)
(7,445)	(7,445)	0	Revenue Support Grant	(7,490)	-	-	(7,490)	(7,487)	-	-	(7,487)	4	(0%)	4	(0%)
(13,950)	(13,950)	-	National Non-Domestic Rates	(14,265)	-	-	(14,265)	(13,906)	-	-	(13,906)	359	(3%)	359	(3%)
(399)	(479)	(80)	Council Tax Collection Account	(60)	-	-	(60)	(101)	-	-	(101)	(41)	41%	(41)	41%
(40,266)	(40,234)	32	Council Tax Precept	(40,264)	-	-	(40,264)	(40,112)	-	-	(40,112)	153	(0%)	153	(0%)
(14)	31	44	Council Tax Collection Impact	4	-	-	4	(31)	-	-	(31)	(35)		(35)	
(68,635)	(67,234)	1,401	Total Funding	(68,003)	0	-	(68,003)	(66,958)	-	-	(66,958)	1,045	(2%)	1,045	(2%)
(2,528)	(557)	1,971	Funding Gap / (Surplus)	(1,472)	249	1,414	191	229	(0)	368	597	407	68%	1,701	285%
(195)	-	195	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	Cont'ns to/(from) Earmarked Reserves	(36)	(247)	(1,414)	(1,697)	-	-	(368)	(368)	1,329	-	36	(10%)
(195)	-	195	Total Contribution to/(from) Reserves	(36)	(247)	(1,414)	(1,697)	-	-	(368)	(368)	1,329	-	36	(10%)
(2,723)	(557)	2,166	Net Gap / (Surplus)	(1,508)	2	(0)	(1,506)	229	(0)	-	229	1,735		1,737	

Period Summary Income and Expenditure Statement to January 2022



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 %
2,963	2,799	(164)	Wholetime Firefighters	2,934	1	25	2,961	2,810	-	23	2,834	(127)	(4%)	(124)	(4%)
619	563	(56)	On Call Firefighters	636	14	-	649	632	-	-	632	(17)	(3%)	(4)	(1%)
153	118	(35)	Control	141	-	-	141	131	-	-	131	(10)	(8%)	(10)	(8%)
1,203	1,192	(12)	Support Staff	1,228	3	24	1,255	1,232	-	7	1,240	(16)	(1%)	4	0%
4,938	4,672	(267)	Total Employment Costs	4,939	18	50	5,006	4,805	-	31	4,836	(170)	(4%)	(134)	(3%)
239	181	(58)	Support Costs	144	22	8	174	179	-	-	179	5	3%	34	19%
663	890	227	Premises & Equipment	623	16	57	696	835	-	-	835	140	17%	213	25%
150	282	132	Other Costs & Services	282	-	19	301	281	-	-	281	(20)	(7%)	(1)	(0%)
169	177	8	Ill health pension costs	203	-	-	203	177	-	-	177	(25)	(14%)	(25)	(14%)
464	465	1	Financing Items	429	-	-	429	518	-	-	518	89	17%	89	17%
1,684	1,995	311	Total Other Costs	1,681	37	84	1,802	1,990	-	-	1,990	187	9%	309	16%
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
6,622	6,667	45	Gross Expenditure	6,620	55	134	6,809	6,795	-	31	6,826	17	0%	176	3%
(128)	(113)	15	Operational income	(224)	-	-	(224)	(81)	-	-	(81)	143	(176%)	143	(176%)
6,495	6,554	60	Net Expenditure	6,396	55	134	6,585	6,714	-	31	6,745	160	2%	318	5%
			Funding												
(526)	(516)	10	Government Grants	(589)	-	-	(589)	(532)	-	-	(532)	56	(11%)	56	(11%)
(513)	(513)	-	Revenue Support Grant	(516)	-	-	(516)	(516)	-	-	(516)	0	(0%)	0	(0%)
(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)	0	(0%)	0	(0%)
(4,177)	(4,172)	5	Council Tax Precept	(4,160)	-	-	(4,160)	(4,160)	-	-	(4,160)	-	-	-	-
(2)	3	5	Council Tax Collection Impact	(1)	-	-	(1)	(3)	-	-	(3)	(2)	-	(2)	-
(6,632)	(6,621)	11	Total Funding	(6,641)	-	-	(6,641)	(6,587)	-	-	(6,587)	54	(1%)	54	(1%)
(137)	(67)	70	Funding Gap / (Surplus)	(246)	55	134	(57)	126	-	31	157	214		372	
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	Cont'ns to/(from) Earmarked Reserves	-	(55)	(134)	(189)	-	-	-	-	189	-	-	-
-	-	-	Total Contribution to/(from) Reserves	-	(55)	(134)	(189)	-	-	-	-	189	-	-	-
(137)	(67)	70	Net Gap / (Surplus)	(246)	(0)	-	(246)	126	-	31	157	403		372	

Operational Income

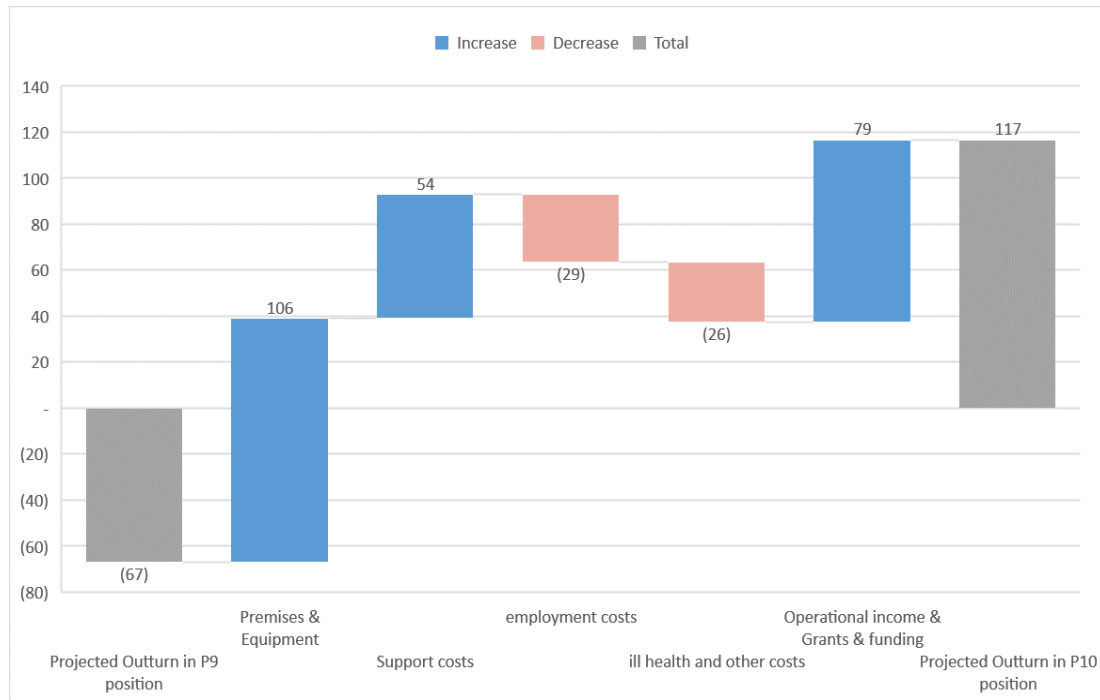


Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(31,186)	(25,010)	6,176	(25%)	(30,006)	
Childcare Vouchers	(28,239)	(54,170)	(25,931)	48%	(65,004)	
Canteen Income	(33,165)	(41,670)	(8,505)	20%	(50,004)	
Sale of Vehicle Spares	(58,100)	(20,830)	37,270	(179%)	(25,000)	
Aerial Sites	(147,590)	(129,710)	17,880	(14%)	(155,652)	
Solar Panel Income	(36,439)	(41,670)	(5,231)	13%	(50,000)	
Hydrant Tests	(59,465)	(75,000)	(15,535)	21%	(90,000)	
Lease Cars - Employee Contributions	(6,071)	(12,500)	(6,429)	51%	(15,000)	
Service Charges	(409)	(500)	(91)	18%	(600)	
Secondments	(181,859)	0	181,859	0%	0	
Community Safety General	(2,228)	0	2,228	0%	0	
Labour Credit	(71,985)	(45,830)	26,155	(57%)	(55,000)	
Section 13/16	(62,647)	(37,500)	25,147	(67%)	(45,000)	
Provision of Hire Vehicles & Equipment	(3,150)	(1,670)	1,480	(89%)	(2,000)	
Interest Received Short Term Investments	(2,970)	(20,830)	(17,860)	86%	(24,996)	
Community Safety Youth Work	(40,545)	(83,330)	(42,785)	51%	(99,998)	
Shared Services Income	(512,229)	(151,670)	360,559	(238%)	(182,001)	
Reimbursements from EFA(T)	0	0	0	0%	0	
Other Miscellaneous Income	(67,332)	(70,420)	(3,088)	4%	(84,499)	
Total Operational Income	(1,392,311)	(812,310)	580,001	(71%)	(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	(2,930,454)	(2,930,454)	0	0%	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution
DCLG BRR 2021-22	(1,159,609)	(1,116,900)	42,709	(4%)	(1,340,280)	Business Rate relief
USAR Grant 2021-22	(713,800)	(714,317)	(517)	0%	(856,560)	
Firelink Grant 2021-22	(459,645)	(550,978)	(91,333)	17%	(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	(621,366)	0	621,366	0%	0	£62k released monthly as additional one off Grant
Other Grant Income	(42,819)	(9,583)	33,236		(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.
Subtotal-Govt Grants	(5,927,694)	(5,322,233)	605,461	11%	(6,387,143)	

Movement in projected core outturn in P10 compared to P9 projected outturn (Excludes any reserve funded movements)



Key core movements:

- Premises and Equipment - Favourable movement in expected costs, lower information systems costs are coming through the core actual spend as contracts are coming to an end and are not being renewed. The Community safety and home safety activity has previously been lower due to Covid restrictions. The trends show that activity levels are unlikely to pick back up to full capacity.
- Support costs have a favourable movement in expected costs travel and subsistence costs are still trending under expected levels and are expected to do so for the next few months.
- Employment costs - a small favourable movement has been included based on the months actuals.
- Operational income - Favourable movement based on actual core income trends, particularly secondment income and shared service income.

Balance Sheet - 31st January 2022

	31st Jan 2021	31st Dec 2021	31st Mar 2021	Variance Dec 2021 £000's	Variance Mar 2021 £000's
	£000's	£000's	£000's		
Property, plant & equipment					
Land and buildings	123,522	123,522	125,232	-	(1,710)
* Vehicles, plant & equipment	11,404	11,404	11,404	-	-
Assets under construction	2,834	2,796	751	38	2,083
Long term assets	137,760	137,721	137,387	38	373
Inventories	609	612	642	(3)	(33)
Short term debtors	4,260	4,945	6,363	(686)	(2,103)
Cash and cash equivalents	23,643	23,260	17,696	383	5,947
Assets held for sale	315	315	912	-	(597)
Current assets	28,826	29,133	25,612	(306)	3,214
* Short term borrowings	-	-	(250)	-	250
Short term creditors	(6,393)	(6,611)	(6,954)	219	561
Grants received in advance	(2,085)	(2,499)	(1,049)	413	(1,036)
Current liabilities	(8,478)	(9,110)	(8,253)	632	(225)
Long term borrowing	(24,500)	(24,500)	(24,500)	-	-
Provisions	(1,070)	(1,085)	(1,161)	14	91
* Pension liability - LGPS	(38,242)	(38,242)	(38,242)	-	-
Pension liability - FPS	(886,391)	(886,391)	(886,443)	-	52
Long term liabilities	(950,203)	(950,218)	(950,346)	14	143
NET LIABILITIES	(792,095)	(792,473)	(795,600)	103	3,229
Usable reserves					
General fund	5,859	5,617	4,351	242	1,508
Earmarked general fund reserves	11,784	11,974	13,481	(189)	(1,697)
Capital receipts reserve	12,018	12,018	9,669	-	2,349
Usable reserves	29,662	29,609	27,502	103	2,160
Unusable reserves					
Revaluation reserve	36,987	36,987	38,180	-	(1,192)
Capital adjustment account	69,887	69,562	67,401	325	2,485
* 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	(821,757)	(822,082)	(823,102)	325	1,345
TOTAL RESERVES	(792,095)	(792,473)	(795,600)	378	3,505

* 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.
- Discussions have started with the Property team to scope the annual valuation of land and buildings.
- The next house sale completed on the 1st of February, which will be reported in next month's update.

Current Assets:

- Short term debtors have reduced by £686k, primarily due to a reduction in prepayments and a lower VAT receivable than the previous month. VAT receivable was high in December due to the purchase of fire appliance chassis and other purchase ledger items.
- £383k increase in cash and cash equivalents as cash inflows exceeded outflows for the month, as seen in the cashflow on page 8.

Current Liabilities

- Short term creditors have fallen by £219k in the month, mainly due to a reduction in monthly accruals.
- Grants received in advance have reduced by £413k in the month as income is released to the revenue account throughout the year.

Long-term Liabilities:

- Provisions have reduced slightly in the month, as sanction charges arising from the firefighters pension scheme were paid by the January deadline.

Reserves:

The movements in General and Earmarked Reserves ties back to the YTD Summary Income and Expenditure Statement on page 3 and reflect a year to date transfer from Earmarked Reserves of £1,697k.

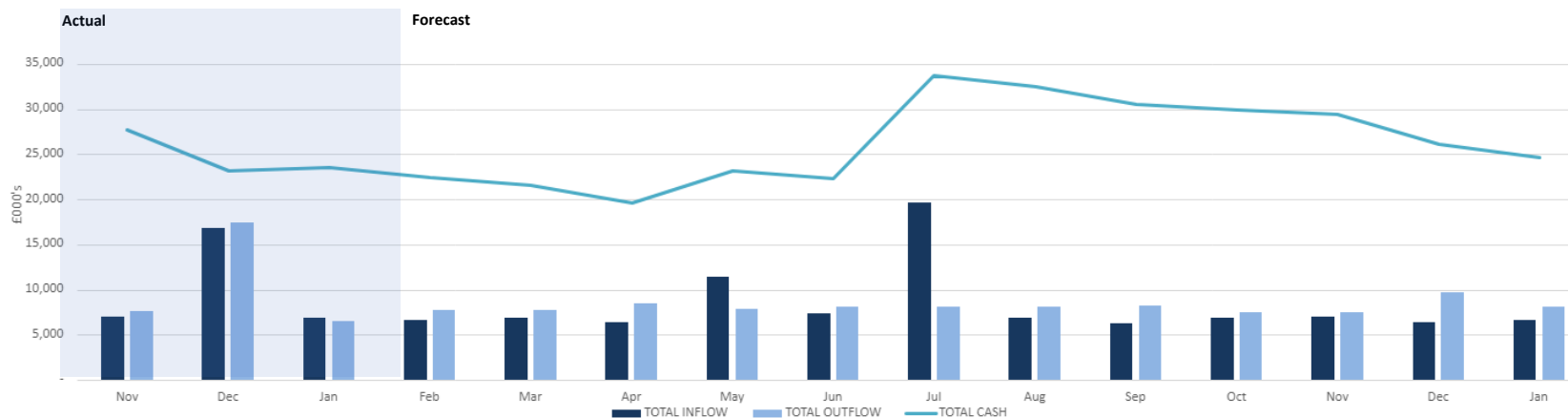
The Authority has continued to accrue for MRP charges, which is shown in the YTD movement in the capital adjustment account of £2,485k. This is the net of MRP charges of £3,600k offset by disposals adjustments of £1,115k.

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

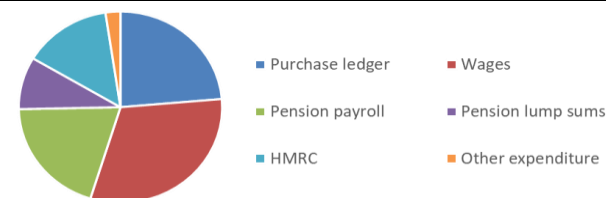
Total cash and investments at the end of January was **£23.6m**, up from **£23.3m** in December. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of **£4.7m**, grants of **£1.4m**.
- Cash outflows include purchase ledger payments of **£1.3m** - returning to a normal level following December's purchase of fire appliances.
- The pension payroll for January was paid on the 31st December, therefore there was no pension payroll payment this month.
- Investments remained at £13m - this comprises UK Government investments as well as money market fund- see below for a breakdown.
- ECFRS is compliant with its treasury management strategy- the finance team is currently working on the 2022/23 treasury strategy.

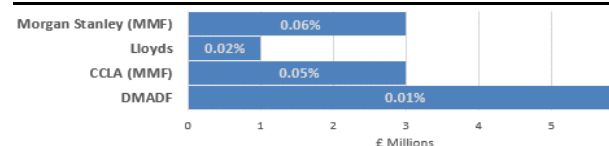
TREASURY MANAGEMENT INDICATORS

	Actual	Explanation of Indicators
Credit risk indicator	AAA	The average credit rating of investments must be A or greater.
Liquidity risk indicator	£23.3m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.00%	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 (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 January 2022



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	1,533	(110)	1,423	596
Asset Improvement Works Training Facilities Improvement	1,651	145	0	145	7
Asset Improvement Works - Shoeburyness	906	11	0	11	11
Total Property	4,507	1,689	(110)	1,579	614
Equipment	246	86	0	86	22
Information Technology					
Projects	570	493	0	493	142
Total Information Technology	570	943	(450)	493	140
Vehicles					
New Appliances	2,330	980	0	980	980
Other Vehicles	978	334	(7)	328	325
Total Vehicles	3,308	1,461	(7)	1,307	1,305
Total Capital Expenditure	8,630	3,582	(117)	3,465	2,083

Essex County Fire & Rescue Service - Capital Expenditure as at 31st January 2022



* To be agreed at asset board

	Asset Life	Budget 2021/22	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend	Spend Brought Forward	Committed Orders
B113 - Vehicles								
Appliances (Pumping)	15	2,330,000	979,830	-	979,830	979,830	-	-
ICU Internals	6	30,000	-	-	-	-	-	-
Light Vehicles	6	292,000	106,000	-	106,000	105,551	-	-
Off Road Vehicles	6	102,000	102,000	-	102,000	101,934	-	-
Officers Cars (Principal Officers)	4	111,000	56,000	-	56,000	54,133	-	-
Specialist rescue vehicle	6	100,000	-	-	-	-	-	-
Light Vans	6	248,000	22,102	-	22,102	22,102	-	146,800
Ramps	12	-	40,000	(6,715)	33,285	33,285	-	-
Ladders	12	94,500	8,253	-	8,253	8,253	-	-
Total B113 - Vehicles		3,307,500	1,314,185	(6,715)	1,307,470	1,305,087	-	146,800
B116 - Operational Equipment								
B.A. Compressors	8	55,851	55,851	-	55,851	22,149	-	25,324
BA Contamination machine	8	80,000	-	-	-	-	-	-
Method entry equipment	8	30,000	-	-	-	-	-	-
Smoke curtains	8	30,000	30,000	-	30,000	-	-	-
Body warn CCTV	8	30,000	-	-	-	-	-	-
Fog spikes	8	20,000	-	-	-	-	-	-
Total B116 - Operational Equipment		245,851	85,851	-	85,851	22,149	-	25,324
B114 - ICT Equipment								
<i>Digital & Data Strategy</i>								
DEVICES	3	130,000	53,333	-	53,333	-	-	39,290
VOICE	3	-	215,000	-	215,000	141,797	-	51,681
<i>Other Projects</i>								
Rolling phone refresh	3	100,000	-	-	-	-	-	-
Apprentice laptops	3	32,400	32,400	-	32,400	-	-	-
Virtual servers	3	25,000	-	-	-	-	-	-
Mobilising station end equipment	7	-	-	-	-	-	-	-
ICCS/CAD Replacement - Control Project	7	282,150	191,773	-	191,773	-	-	-
Total B114 - ICT Equipment		569,550	492,506	-	492,506	141,797	-	90,971

Essex County Fire & Rescue Service - Capital Expenditure as at 31st January 2022



* To be agreed at asset board

	Asset Life	Budget 2021/22	Forecast - Last agreed	Adjustment to Forecast	Forecast - Updated*	Actual Spend	Spend Brought Forward	Committed Orders
B112 - Land & Building								
Lexden Workshops Relocation	20	250,000	-	-	-	-	-	-
Total B112 - Land & Building		250,000	-	-	-	-	-	-
Asset Improvement Works - Shoeburyness	20	905,814	11,336	-	11,336	11,336	94,186	52,844
Asset Protection Works - Training Facilities:	20							
Phase 1 - Chelmsford, Greys, Southend, SWF		212,012	6,530	-	6,530	6,530	185,000	22,428
Phase 2 - Braintree, Brentwood		429,089	-	-	-	-	-	-
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	-	-	242,455
Deep lift pits		60,000	-	-	-	-	-	-
Consultancy		8,682	8,682	-	8,682	-	106,318	-
Total B117 - Asset Improvement		2,556,603	156,554	-	156,554	17,866	385,504	317,727
B118 - Asset Protection								
Projects carried forward from 20/21:								
Colchester FP/WFS Offices	20	7,000	19,035	-	19,035	14,052	21,022	4,032
Orsett Appliance Bay	20	35,000	34,362	-	34,362	32,728	32,680	-
Southend Boilers	20	22,000	38,178	-	38,178	18,557	78,895	-
Fire Alarms	20	5,000	41,040	-	41,040	41,041	114,296	-
Burnham AB Floor	20	35,000	31,683	-	31,683	29,698	39,750	-
Projects commencing 21/22:								
Dunmow Yard	20	140,000	-	-	-	-	-	-
Great Baddow Windows	20	130,000	118,330	-	118,330	114,545	3,486	-
Park Pond - lake works	20	346,000	209,000	-	209,000	203,920	-	31,616
Park Pond - liner repairs	20	-	111,000	-	111,000	111,304	-	-
Park Pond - building management and metering		-	60,000	(60,000)	-	-	-	-
Orsett - No time to lose	20	25,000	25,082	-	25,082	21,445	-	-
Rayleigh Parking	20	10,000	5,576	-	5,576	4,473	22,099	-
Harlow boilers	20	180,000	149,448	-	149,448	-	-	149,448
Baddow boilers	20	180,000	90,000	-	90,000	-	-	-
Chelmsford TC boilers	20	80,000	24,500	-	24,500	-	-	-
Grays Heater	20	25,000	28,000	-	28,000	-	-	28,627
Witham TC boiler	20	50,000	80,000	-	80,000	2	-	-
Harlow mains	20	35,000	90,823	-	90,823	-	-	90,826
Appliance bay doors (Halstead, Tollesbury, Weeley)	20	175,000	117,600	-	117,600	2,180	53,093	195,118
Witham TC offices	20	100,000	124,000	-	124,000	-	-	-
Epping part refurbishment	20	60,000	-	-	-	-	-	-
Waltham Abbey drill yard	20	60,000	-	-	-	-	-	-
Orsett Fra (50%)	20	240,000	-	-	-	-	-	-
Chelmsford refurbishment		-	35,000	-	35,000	-	-	-
BA Compressor Installation works - Clacton		-	100,000	(50,000)	50,000	-	-	-
Other	20	-	-	-	-	2,138	-	-
Provision for limited capacity **		(240,000)	-	-	-	-	-	-
B118 - Asset Protection		1,700,000	1,532,657	(110,000)	1,422,657	596,082	365,320	499,667
TOTAL FORECAST 2021-22		8,629,504	3,581,753	(116,715)	3,465,038	2,082,982	750,824	1,080,490



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: 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 P10 Outturn Vs P9 Projected Outturn (Including P1-10 Actuals)



Description	Core P9 Outturn £'000s	COVID P9 Outturn £'000s	Earmarked Projects P9 Outturn £'000s	Projected P9 Outturn £'000	Core P10 Outturn £'000s	COVID P10 Outturn £'000s	Earmarked Projects P10 Outturn £'000s	Projected P10 Outturn £'000	Movement from P9 Outturn £'000	Variance %	Core Forecast movement	Variance %
Total Employment Costs	59,106	4	1,439	60,549	59,135	32	1,385	60,552	(3)	(0%)	(29)	(0%)
Support Costs	2,145	43	115	2,302	2,091	64	121	2,276	26	8%	54	3%
Premises & Equipment	9,562	390	657	10,609	9,456	260	300	10,016	593	83%	106	1%
Other Costs & Services	3,343	11	269	3,623	3,342	11	217	3,570	53	24%	2	0%
Ill Health Pension costs	2,099	-	-	2,099	2,126	-	-	2,126	(28)	-	(28)	(1%)
Financing Items	5,492	-	-	5,492	5,492	-	-	5,492	-	-	-	-
Productivity improvement investment	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Costs	22,642	443	1,041	24,126	22,508	335	639	23,482	644	27%	134	1%
Gross Operating Expenditure	81,747	447	2,480	84,675	81,643	367	2,024	84,034	641	18%	105	0%
Government Grants Income	(7,112)	-	-	(7,112)	(7,120)	-	-	(7,120)	8	-	8	(0%)
Operational income	(1,543)	-	-	(1,543)	(1,642)	-	-	(1,642)	99	-	99	(6%)
Net Expenditure	73,092	447	2,480	76,020	72,881	367	2,024	75,272	747	20%	211	0%
Total Funding	(73,026)	(447)	(2,480)	(75,953)	(72,997)	(367)	(2,024)	(75,389)	(564)	15%	(28)	0%
Funding Gap/ (Surplus)	67			67	(117)	-	-	(117)	183	-	183	



Internal Audit Recommendations

Financial Year	Audit Report Title	Owner	Total Recommendations		Completed Recommendations		Recommendations Outstanding		Recommendations outside of due date		Months O/S
			High	Medium	High	Medium	High	Medium	High	Medium	
2019/20	GDPR	Assistant Director Performance and Data Management	2	7	1	6	1	1	1	1	20 Months
2019/20	Procurement	Chief Finance Officer	1	5	1	2	-	3	-	3	18 Months
2019/20	Non-Operational - H&S	Assistant Director, Prevention, Protection and Response	1	3	-	3	1	-	1	-	17 Months
2020/21	Follow-up 2021	Various action owners	-	4	-	2	-	2	-	2	8 Months
2021/22	Fleet Management	Engineering Manager	-	1	-	-	-	1	-	-	2 Months
2021/22	Competency Management	Assistant Chief Executive - People Values and Culture	-	1	-	1	-	-	-	-	Complete
2021/22	Key Financial Controls 2022	Chief Finance Officer	-	1	-	-	-	1	-	-	0 Months
THIS UPDATE			8	48	6	40	2	8	2	6	
			56		46		10		8		
			Percentage complete			82%		Percentage overdue		80%	
LAST UPDATE			8	47	6	39	2	8	2	6	
			55		45		10		8		
			Percentage complete			82%		Percentage overdue		80%	

Internal Audit Programme Update

The audit report has been agreed for the Key Financial Controls audit. The level of assurance was revised to **substantial** for pensions and **reasonable** for payroll, with only one medium recommendation.

Fieldwork for the Medium Term Financial Strategy audit has completed, and a meeting has been arranged later this month to discuss the findings.

Action owners will be contacted in the coming weeks to provide evidence for the Follow-up audit.

Internal Audit Programme Update

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