

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



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

SUMMARY

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

Executive Summary



Results for the period to July 2022

Net Expenditure in the month was £62k over Budget, the variance of the core overspend against Budget was £47k. This brings the overall position in the month to a surplus of £7k, which is £11k better than Budgeted.

Pay explanations

- Wholetime pay has come in lower with corresponding pension underspend, ASW YTD showing as £150k which offsets with gross pay underspends.
- Secondary contracts is tracking 159k underspent YTD, £this drove £42k underspend in P4 Support staff pay costs. Half of the YTD cost is due to phasing, Prevention activity picks up in Summer months, 16 Water events have been cancelled -team to confirm if these can be rescheduled. Ongoing issue with Fleet resource recruitment for apprenticeship roles as training has stopped nationally.
- On Call activity has been high YTD with turnout and training activity contributing towards over £100k of costs.

The variance to Budget for the Core YTD Net Expenditure before Funding is £278k. With actuals showing a surplus position of £1.3m (£409k above Core Budgeted position).

Core costs to date include £161k underspend in Pay costs and £19k underspend in Non pay costs (£218k Support cost overspends relate to unbudgeted mileage and Training, the offset from Premises and equipment costs are due to timing).

Funding offsets to a small variance in the month, this is due to the Council tax collection funding having a surplus which offset against the release of the Service grant funding. The service grant funding is being released in line with the specific costs allocated against the funding.

Balance Sheet Statement and Cashflow Forecast

The Balance Sheet report on page 6 shows the key monthly rather than year to date movements.

- Cash and cash equivalents increased to £35.7m from £22.4m in the month.
- The Cashflow Forecast on page 8 shows the forecast cash position of the Authority for the next twelve months.

Capital

The Capital Programme is actively monitored by several groups at the Authority, including the Asset Board and Strategic Sub-Groups. The budget for 2022-23 is £9.087m.

Other

There were two property sales in the month.

The year end 2021-22 Outturn and 2022-23 Forecast have been included in the Appendices.

The 2022-23 BAU Forecast shows a projected deficit of £808k.

Budget templates have been issued out to Budget Holders for an initial draft of the 2023-24 Budgets.

YTD Summary Income and Expenditure Statement to 31st July 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 %
11,622	12,098	476	Wholetime Firefighters	11,506	-	336	11,843	11,767	-	306	12,074	231	2%	261	2%
2,353	2,292	(61)	On Call Firefighters	2,787	-	-	2,787	2,375	-	-	2,375	(413)	(17%)	(413)	(17%)
511	522	11	Control	543	-	-	543	525	-	-	525	(18)	(3%)	(18)	(3%)
5,338	4,956	(382)	Support Staff	4,897	-	429	5,327	5,228	-	459	5,686	360	6%	330	6%
19,824	19,867	43	Total Employment Costs	19,733	-	765	20,499	19,894	-	765	20,659	160	1%	161	1%
735	715	(21)	Support Costs	751	0	28	779	534	-	100	634	(146)	(23%)	(218)	(34%)
3,445	3,341	(104)	Premises & Equipment	3,226	5	4	3,235	3,319	-	-	3,319	84	3%	94	3%
1,003	1,089	86	Other Costs & Services	1,012	16	75	1,102	1,054	-	83	1,137	35	3%	42	4%
726	761	34	Ill health pension costs	786	-	-	786	811	-	-	811	25	3%	25	3%
1,855	1,861	6	Financing Items	1,900	-	-	1,900	1,966	-	-	1,966	66	3%	66	3%
7,765	7,766	2	Total Other Costs	7,674	21	107	7,802	7,683	-	183	7,866	64	1%	9	0%
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
27,588	27,633	45	Gross Expenditure	27,407	21	872	28,301	27,577	-	948	28,525	224	1%	169	1%
(470)	(325)	145	Operational income	(581)	-	(0)	(581)	(472)	-	-	(472)	110	(23%)	109	(23%)
27,119	27,309	190	Net Expenditure before Funding	26,827	21	872	27,720	27,105	-	948	28,053	333	1%	278	1%
			Funding												
(2,517)	(2,129)	389	Government Grants	(2,407)	-	-	(2,407)	(2,516)	-	-	(2,516)	(109)	4%	(109)	4%
(4,389)	(4,389)	0	Revenue Support Grant	(4,506)	-	-	(4,506)	(4,523)	-	-	(4,523)	(17)	0%	(17)	0%
(5,648)	(5,650)	(2)	National Non-Domestic Rates	(5,481)	-	-	(5,481)	(5,481)	-	-	(5,481)	-	-	-	-
(24)	(65)	(41)	Council Tax Collection Account	(249)	-	-	(249)	-	-	-	-	249	-	249	-
(14,972)	(14,819)	153	Council Tax Precept	(15,522)	-	-	(15,522)	(15,522)	-	-	(15,522)	0	(0%)	0	(0%)
(13)	(11)	2	Council Tax Collection Impact	(8)	-	-	(8)	-	-	-	-	8	-	8	-
(27,563)	(27,062)	501	Total Funding	(28,173)	-	-	(28,173)	(28,042)	-	-	(28,042)	131	(0%)	131	(0%)
(444)	246	690	Funding Gap / (Surplus)	(1,346)	21	872	(453)	(937)	-	948	11	464	4146%	409	3655%
(52)	-	52	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(756)	-	756	Cont'ns to/(from) Earmarked Reserves	-	(21)	(814)	(836)	-	-	(844)	(844)	(8)	-	-	-
(808)	-	808	Total Contribution to/(from) Reserves	-	(21)	(814)	(836)	-	-	(844)	(844)	(8)	-	-	-
(1,253)	246	1,499	Net Gap / (Surplus)	(1,346)	0	58	(1,289)	(937)	-	105	(833)	456		409	

Period Summary Income and Expenditure Statement to 31st July 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 %
2,920	2,864	(57)	Wholetime Firefighters	2,882	-	97	2,979	2,958	-	78	3,036	57	2%	76	2%
590	570	(20)	On Call Firefighters	760	-	-	760	594	-	-	594	(166)	(28%)	(166)	(28%)
127	131	4	Control	136	-	-	136	131	-	-	131	(5)	(4%)	(5)	(4%)
1,304	1,240	(65)	Support Staff	1,239	-	21	1,259	1,307	-	45	1,352	92	7%	68	5%
4,942	4,804	(138)	Total Employment Costs	5,016	-	118	5,134	4,989	-	123	5,112	(21)	(0%)	(27)	(1%)
216	179	(37)	Support Costs	155	-	8	163	133	-	25	158	(5)	(3%)	(22)	(14%)
820	835	15	Premises & Equipment	871	5	4	880	830	-	-	830	(50)	(6%)	(41)	(5%)
300	279	(20)	Other Costs & Services	259	-	49	308	271	-	21	292	(16)	(5%)	12	4%
168	177	9	Ill health pension costs	171	-	-	171	172	-	-	172	1	1%	1	1%
464	465	1	Financing Items	467	-	-	467	491	-	-	491	25	5%	25	5%
1,968	1,936	(32)	Total Other Costs	1,922	5	61	1,988	1,897	-	46	1,943	(45)	(2%)	(25)	(1%)
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
6,910	6,740	(170)	Gross Expenditure	6,939	5	178	7,122	6,887	-	169	7,055	(67)	(1%)	(52)	(1%)
(137)	(81)	56	Operational income	(122)	-	(0)	(123)	(118)	-	-	(118)	5	(4%)	4	(4%)
6,772	6,659	(114)	Net Expenditure	6,816	5	178	7,000	6,769	-	169	6,937	(62)	(1%)	(47)	(1%)
			Funding												
(701)	(532)	169	Government Grants	(623)	-	-	(623)	(629)	-	-	(629)	(6)	1%	(6)	1%
(516)	(516)	(0)	Revenue Support Grant	(532)	-	-	(532)	(532)	-	-	(532)	-	-	-	-
(1,471)	(1,471)	-	National Non-Domestic Rates	(1,405)	-	-	(1,405)	(1,405)	-	-	(1,405)	-	-	-	-
(5)	(5)	-	Council Tax Collection Account	(69)	-	-	(69)	-	-	-	-	69	-	69	-
(4,313)	(4,160)	152	Council Tax Precept	(4,238)	-	-	(4,238)	(4,238)	-	-	(4,238)	-	-	-	-
-	(3)	(3)	Council Tax Collection Impact	(4)	-	-	(4)	-	-	-	-	4	-	4	-
(7,006)	(6,688)	318	Total Funding	(6,871)	-	-	(6,871)	(6,804)	-	-	(6,804)	67	(1%)	67	(1%)
(233)	(29)	204	Funding Gap / (Surplus)	(55)	5	178	129	(35)	-	169	134	5		20	
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(88)	-	88	Cont'ns to/(from) Earmarked Reserves	-	(5)	(131)	(136)	-	-	(130)	(130)	6	(5%)	-	-
(88)	-	88	Total Contribution to/(from) Reserves	-	(5)	(131)	(136)	-	-	(130)	(130)	6	(5%)	-	-
(321)	(29)	292	Net Gap / (Surplus)	(55)	0	47	(7)	(35)	-	39	4	11		20	



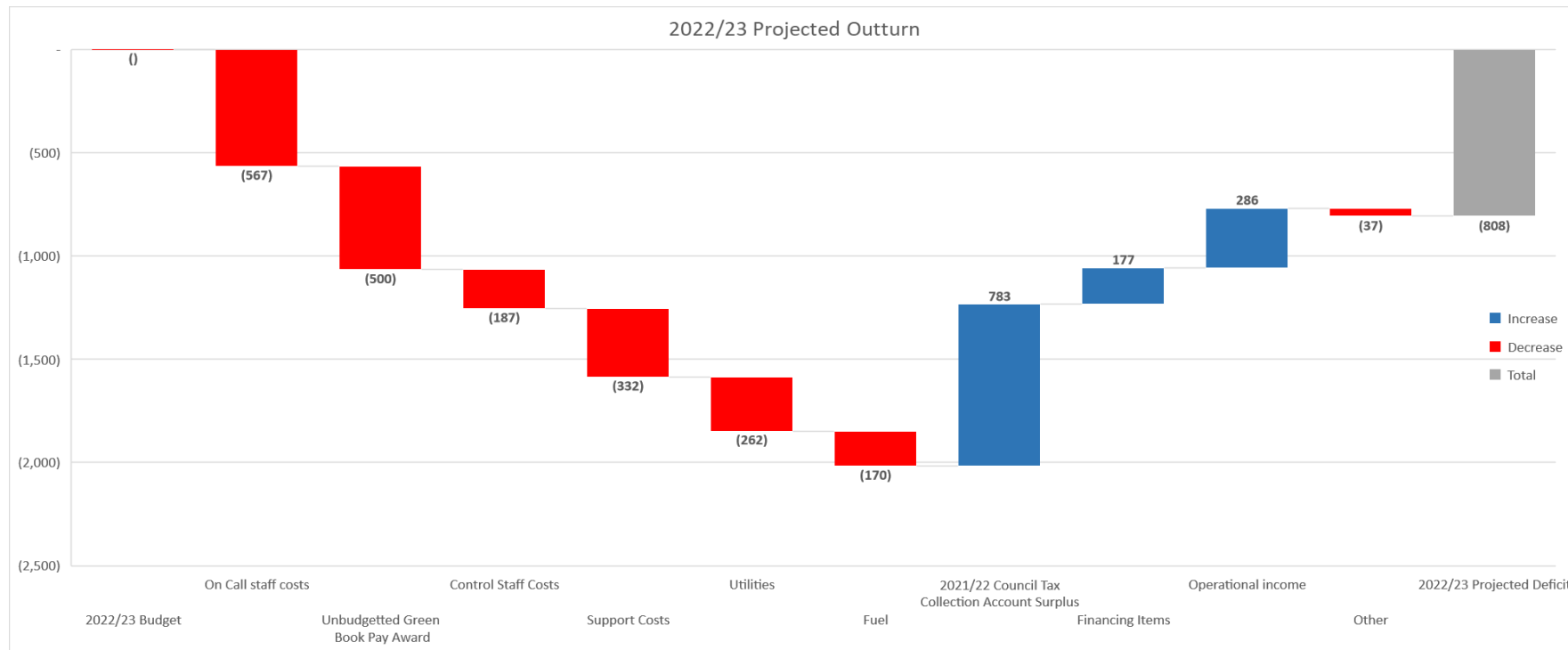
Operational Income

Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(10,830)	(10,004)	826	(8%)	(30,012)	
Childcare Vouchers	(7,362)	(20,000)	(12,638)	63%	(60,000)	
Canteen Income	(28,182)	(21,332)	6,850	(32%)	(63,996)	
Sale of Vehicle Spares	(29,717)	(8,332)	21,385	(257%)	(24,996)	
Aerial Sites	(42,325)	(43,332)	(1,007)	2%	(129,996)	
Solar Panel Income	(16,969)	(21,668)	(4,699)	22%	(65,004)	
Hydrant Tests	(22,098)	(26,668)	(4,570)	17%	(80,004)	
Lease Cars - Employee Contributions	(2,276)	(2,000)	276	(14%)	(6,000)	
Service Charges	(158)	(200)	(42)	21%	(600)	
Secondments	(78,758)	(54,904)	23,854	(43%)	(164,712)	
Community Safety General	(30,763)	(26,108)	4,655	(18%)	(78,324)	
Labour Credit	(40,655)	(18,332)	22,323	(122%)	(54,996)	
Section 13/16	(13,384)	(20,000)	(6,616)	33%	(60,000)	
Provision of Hire Vehicles & Equipment	(3,052)	0	3,052	0%	0	
Interest Received Short Term Investments	(18,850)	(3,332)	15,518	(466%)	(9,996)	
Community Safety Youth Work	(30,907)	0	30,907	0%	0	
Shared Services Income	(129,028)	(100,004)	29,024	(29%)	(300,012)	
Other Miscellaneous Income	(57,493)	(57,168)	325	(1%)	(171,504)	
Total Operational Income	(581,388)	(471,751)	109,638	(23%)	(1,415,252)	

Specific Government Grants Income

Specific Government Grants	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Addn Pens Grant Accr	(1,172,182)	(1,172,180)	2	(0%)	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution
DCLG BRR 2022-23	(468,116)	(468,116)	0	0%	(1,404,348)	Business Rate relief
USAR Grant 2022-23	(285,520)	(285,520)	0	0%	(856,560)	
Firelink Grant 2022-23	(205,668)	(207,828)	(2,160)	1%	(617,000)	Communications Network (Firelink) grant and New Risk Mosaic programme funding.
Services Grant (employers NI 1.25%) 2022-23	(137,021)	(155,332)	(18,311)	12%	(466,000)	Circa £500k to offset NI increase 1.25%, actuals are coming in around £35k rather than £39k budgeted
Services Grant (One off investments) 2022-23	(91,491)	(229,332)	(137,841)	60%	(688,000)	Grant of circa £688k to fund one off investments, the funding is being released as costs are incurred.
Grenfell Grant release	(42,558)	0	42,558	0%	0	Grenfell grant released against ringfenced spend.
Other Grant Income	(4,575)	0	4,575	0%	0	Home Office grant in relation to internal Audit costs (Redmond review grant offset monthly against audit fees).
Subtotal-Govt Grants	(2,407,131)	(2,518,308)	(111,177)	(4%)	(7,548,453)	

Movement in Forecast compared to Original Budget (Excludes any reserve funded movements)



Key core movements:

- 4 additional FTE included in the forecast with the costs being offset from the additional funding coming through for the council tax collection account.
- Council Tax collection funding of £782k has been confirmed.
- Support costs include higher YTD settlement and training costs and the forecast higher mileage trends.
- Premises and Equipment includes the expected increase in Utility costs from October 2022 (45% increase in Electricity and 110% increase in Gas costs). A further overspend in Fuel costs of £170k in the year is also expected.
- A lower MRP (capital charge) has been factored into the financing items.
- Additional income in vehicle servicing due to increased activity has been included in the Operational income.

Balance Sheet - 31st July 2022

	31st Jul 2022	30th Jun 2022	31st Mar 2022	Variance Month £000's	Variance YTD £000's
	£000's	£000's	£000's		
Property, plant & equipment					
Land and buildings	126,527	126,527	126,527	-	-
* Vehicles, plant & equipment	10,089	10,089	10,089	-	-
Assets under construction	3,349	2,968	1,985	381	1,364
Long term investments	-	-	-	-	-
Long term assets	139,966	139,584	138,601	381	1,364
Inventories	511	487	424	23	86
Short term debtors	5,071	13,383	8,746	(8,366)	(3,730)
Cash and cash equivalents	35,719	22,494	20,473	13,225	15,246
Assets held for sale	-	725	1,445	(725)	(1,445)
Current assets	41,301	37,090	31,089	4,157	10,157
* Short term borrowings	(1,000)	-	(1,250)	(1,000)	250
Short term creditors	(14,195)	(9,471)	(7,557)	(4,723)	(6,638)
Grants received in advance	(4,292)	(4,718)	(1,233)	427	(3,058)
Current liabilities	(19,486)	(14,190)	(10,040)	(5,297)	(9,446)
Long term borrowing	(23,500)	(24,500)	(23,500)	1,000	-
Provisions	(1,000)	(1,000)	(994)	-	(6)
* Pension liability - LGPS	(30,253)	(30,253)	(30,253)	-	-
Pension liability - FPS	(872,096)	(872,096)	(872,200)	-	104
Long term liabilities	(926,849)	(927,849)	(926,947)	1,000	98
NET LIABILITIES	(765,123)	(765,364)	(767,297)	241	2,173
Usable reserves					
General fund	5,630	5,622	4,341	7	1,289
Earmarked general fund reserves	10,336	10,472	11,035	(136)	(699)
Capital receipts reserve	14,598	13,873	13,153	725	1,445
Usable reserves	30,563	29,967	28,529	596	2,034
Unusable reserves					
Revaluation reserve	40,499	40,921	41,336	(423)	(837)
Capital adjustment account	67,850	67,783	66,978	68	872
* Holiday pay account	(1,269)	(1,269)	(1,269)	-	-
* Collection fund adjustment account	(418)	(418)	(418)	-	-
Pension reserve	(902,349)	(902,349)	(902,453)	-	105
Unusable reserves	(795,686)	(795,331)	(795,826)	(355)	140
TOTAL RESERVES	(765,123)	(765,364)	(767,297)	241	2,174

* Balances adjusted at year end only.

Key Movements

Fixed Assets:

*Increase in Assets under construction of £402k for the month. Significant expenditure in the month included work on phase 1 of the Training Project as well as continued expenditure on the delivery of new fire appliances.

Current Assets:

*Short term debtors has increased by£2.0m, due to the movement in the pension fund for July. The pension top-up grant has been paid, showing the pension fund in a surplus position and is now held in short term creditors.

* £13.2m increase in cash and cash equivalents as cash inflows exceeded outflows for the month, as seen in the cashflow on page 8. This was due to the receipt of the pension top-up grant in the month.

* Two properties were sold in July for £0.7m.

Current Liabilities

* Short term creditors have reduced by £0.5m due to movements in month end accruals.

* Grants received in advance have reduced by £2.9m due to the receipt of a pension grant in advance.

Long-term Liabilities:

No movement in long -term liabilities in the month.

Reserves:

Movements in Usable Reserves:

*The movements in General and Earmarked Reserves tie back to the summary Income & Expenditure statement on page 3.

Movements in Unusable Reserves:

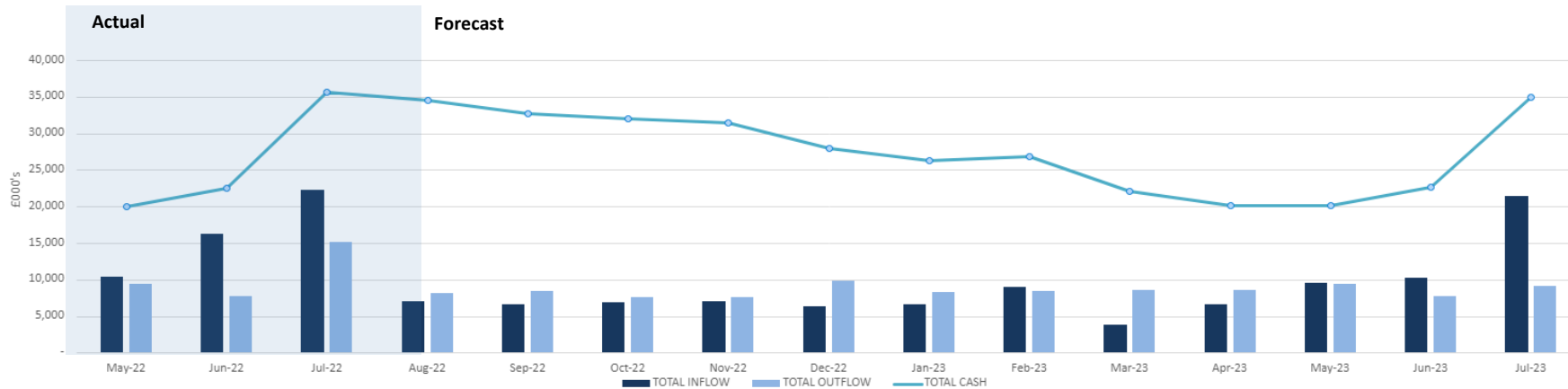
*The Revaluation Reserve has reduced by £0.4m due to disposals in the month.

*The movement in the Capital Adjustment Account reflect adjustments for MRP in the month.



Cashflow Forecast

FORECAST CASH INFLOWS AND OUTFLOWS



COMMENTARY

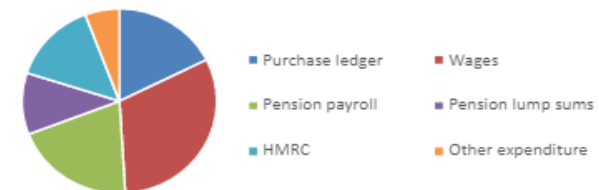
Total cash and investments at the end of July was £35.7m, up from £22.4m in June. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of £4.8m and grants of £16.2m. Grant income included the pension grant of £14.5m, which is the main driver of the increase in cash in the month. This is used to fund the cost of firefighter's pension payroll and lump sums paid on retirement.
- Cash outflows include purchase ledger payments of £2.0m, which is within the expected range of between £1-2m.
- Investments remained at £13m as seen in the graph below.
- There were two day crewed housing sales in July totalling £0.7m.
- The finance Team are currently reviewing options for the investment of surplus cash to maximise return without exposing the service to risk.

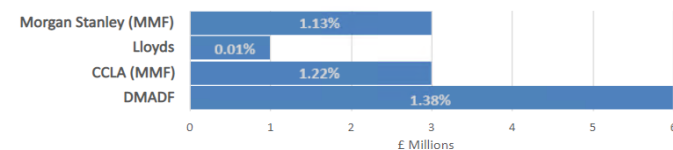
TREASURY MANAGEMENT INDICATORS

	Actual	Explanation of Indicators
Credit risk indicator	AAA	The average credit rating of investments must be A or greater.
Liquidity risk indicator	£22m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.43%	Change in average interest rate received.
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 July 2022



Capital	Budget 2022/23	Forecast - Prior month	Adjustment to Forecast	Forecast - Current Month	Actual Spend
New Premises					
Service Workshops - New	-	-	-	-	-
Existing Premises					
Asset Protection	1,300	1,300	(209)	1,091	247
Asset Improvement Works Training Facilities Improvement	1,246	1,470	-	1,470	176
Asset Improvement Works - Shoeburyness	1,224	1,362	-	1,362	65
Total Property	3,771	4,132	(209)	3,923	489
Equipment	320	290	128	418	28
Information Technology					
Projects	3,792	3,792	(560)	3,232	108
Total Information Technology	3,792	3,792	(560)	3,232	108
Vehicles					
New Appliances	941	941	-	941	670
Other Vehicles	264	164	10	175	69
Total Vehicles	1,205	1,105	10	1,116	738
Total Capital Expenditure	9,087	9,319	(631)	8,688	1,363

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



* To be agreed at asset board
 ** Provision for limited capacity limiting speracity limiting spend to agreed level of £1.7m

	Asset Life	Budget 2022/23	Forecast - Prior Month	Adjustment to Forecast	Forecast - Current Month	Actual Spend	Spend Brought Forward	Committed Orders
B113 - Vehicles								
Appliances (Pumping)	15	941,135	941,135	-	941,135	669,620	1,388,865	389,451
ICU Internals	6	-	-	-	-	-	-	-
Light Vehicles	6	79,647	79,647	10,353	90,000	-	-	81,725
Off Road Vehicles	6	-	-	-	-	-	-	-
Officers Cars (Principal Officers)	4	80,000	80,000	-	80,000	58,095	-	38,433
Specialist rescue vehicle	6	100,000	100,000	-	-	-	-	-
Light Vans	6	-	-	-	-	10,652	-	10,652
Ramps	12	-	-	-	-	-	-	-
Ladders	12	4,500	4,500	-	4,500	-	-	-
Total B113 - Vehicles		1,205,282	1,205,282	10,353	1,115,635	738,367	1,388,865	520,261
B116 - Operational Equipment								
Hose Reel Branch/Main Line Branch	10	160,000	160,000	20,000	180,000	-	-	-
BA Contamination machine	10	80,000	80,000	-	80,000	-	-	2,265
Foam replacement	8	-	-	-	80,000	-	-	-
Method entry equipment	8	30,000	30,000	80,000	30,000	-	-	-
Smoke blocking curtains	8	30,000	-	28,140	28,140	28,140	-	-
Fog spikes (temperature reduction equipment)	8	20,000	20,000	-	20,000	-	-	-
Total B116 - Operational Equipment		320,000	290,000	128,140	418,140	28,140	-	2,265
B114 - ICT Equipment Digital & Data Strategy								
DEVICES	3	216,667	216,667	-	216,667	48,286	-	399
NETWORK	3	1,160,000	1,160,000	(560,000)	600,000	19,753	-	1,518
VOICE	3	47,197	47,197	-	47,197	39,686	-	5,139
Other Projects								
Station End Equipment	3	450,000	450,000	-	450,000	-	-	-
Control Project	7	1,917,732	1,917,732	-	1,917,732	-	-	1,846,124
Total B114 - ICT Equipment		3,791,596	3,791,596	(560,000)	3,231,596	108,321	-	1,853,180

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



* To be agreed at asset board

	Asset Life	Budget 2022/23	Forecast - Prior Month	Adjustment to Forecast	Forecast - Current Month	Actual Spend	Spend Brought Forward	Committed Orders
B112 - Land & Building								
Lexden Workshops Relocation	20	-	-	-	-	-	-	-
Total B112 - Land & Building		-	-	-	-	-	-	-
B117 - Asset Improvements								
Asset Improvement Works - Shoeburyness	20	1,224,478	1,362,000	-	1,362,000	65,274	290,522	1,186,106
<i>Asset Protection Works - Training Facilities:</i>								
Phase 1 - Chelmsford, Greys, Southend, SWF	20	681,416	681,000	-	681,000	175,915	130,162	527,059
Phase 2 - Braintree, Brentwood	20	280,256	233,000	-	233,000	-	-	280,256
Phase 3 - Harlow, Safron Waldon and Clacton	20	284,365	486,000	186,000	486,000	-	-	-
Witham Working at Height	20	-	70,000	70,000	70,000	-	-	-
Total B117 - Asset Improvement		2,470,515	2,832,000	256,000	2,832,000	241,189	420,684	1,993,420
B118 - Asset Protection								
Confirmed Projects for 2022/23								
Dunmow Yard	20	166,000	140,000	-	147,000	146,617	-	5,316
Waltham Abbey drill yard	20	60,000	60,000	-	60,000	-	-	-
Chelmsford refurbishment/rec room	20	35,000	99,000	-	99,000	-	-	98,777
Baddow boilers	20	90,000	97,000	7,000	97,000	56,143	-	41,042
BA Compressor Installation works - Clacton	20	50,000	65,000	-	65,000	-	-	-
STC Boiler	20	-	58,000	-	58,000	44,566	-	13,000
Harlow Bay Floors	20	-	100,000	-	100,000	-	-	-
Rochford Windows	20	-	101,000	-	101,000	-	-	-
AB floors (Halstead, Tollesbury, Weeley)	20	117,600	214,000	-	214,000	-	52,618	213,607
Other Projects Including Planning Stage								
Great Baddow Roof	20	-	150,000	-	150,000	-	-	-
Witham TC offices	20	7,000	-	-	-	-	116,932	-
Witham TC boiler	20	80,000	-	-	-	-	-	-
Epping part refurbishment	20	60,000	-	-	-	-	-	-
Orsett Fra (50%)	20	240,000	-	-	-	-	-	-
Retentions and small works	20	-	-	-	-	2	5,828	30,399
Chelmsford TC boilers	20	24,500	-	-	-	-	-	-
Projects to be confirmed by Property Services	20	369,900	216,000	(216,000)	-	-	-	-
B118 - Asset Protection		1,300,000	1,300,000	(209,000)	1,091,000	247,327	175,378	402,142
TOTAL FORECAST 2021-22		9,087,393	9,318,878	(630,507)	8,688,371	1,363,343	1,984,927	4,771,268



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: Internal and External Audit Recommendations Outturn 2021-22 Forecast 2022-23	
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

Internal Audit recommendations and External Audit update



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	2	6	-	1	-	1	19 Months
2021/22	Follow-up 2022	Chief Finance Officer	-	2	-	-	-	2	-	2	3 Months
2022/23	Emergency Response Driving	Assistant Chief Executive - People Values and Culture	-	3	-	-	-	2	-	-	0 Months
THIS UPDATE			2	12	2	6	-	6	-	3	
			14		8		6		3		
			Percentage complete		57%		Percentage overdue		50%		
LAST UPDATE			8	12	2	6	-	6	-	3	
			20		8		6		3		
			Percentage complete		40%		Percentage overdue		50%		

External Audit Update

The audit fieldwork is progressing well, with the majority of the fieldwork complete. The audit is undergoing manager review, so we are expecting final queries to be received in the next few weeks.

The main risk areas of the audit are the pension and property valuations. Grant Thornton continue to work on these areas, and are using their own expert valuers this year which has reduced the testing required in these areas.

The audit has a target completion for September, however this is contingent on the audit of Essex Pension Fund which was delayed in the previous year.

Internal Audit Update

The Emergency Response Driving audit report was received this month, resulting in 3 new actions, and reasonable assurance.

1 action was completed this month, leaving a total of 6 outstanding.

There are 3 overdue recommendations. Action owners have been reminded to progress their recommendations, and further meetings have been arranged with key stakeholders.

The Cybersecurity audit is underway, which is the last audit from the 2021/22 plan. This was delayed as the Service implemented new security features.

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

Outturn for Income and Expenditure account to March 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	Actual £'000s	Core Budget £'000s	COVID Budget £'000s	Earmarked Projects Budget £'000s	Budget £'000s	Budget Vs Actuals £'000s	Variance %	Core Budget Vs Core Actuals £'000s	Variance %
35,435	34,633	(802)	Wholetime Firefighters	34,892	1	436	35,328	34,061	-	279	34,340	(988)	(3%)	(831)	(2%)
7,064	6,893	(171)	On Call Firefighters	7,465	39	-	7,504	7,081	-	-	7,081	(423)	(6%)	(384)	(5%)
1,615	1,368	(247)	Control	1,571	-	-	1,571	1,568	-	-	1,568	(3)	(0%)	(3)	(0%)
14,937	14,715	(222)	Support Staff	14,984	7	613	15,605	14,986	-	89	15,075	(530)	(4%)	2	0%
59,051	57,609	(1,442)	Total Employment Costs	58,912	47	1,049	60,008	57,695	-	368	58,063	(1,944)	(3%)	(1,216)	(2%)
2,135	2,174	39	Support Costs	2,161	68	131	2,360	1,838	-	310	2,148	(212)	(10%)	(324)	(15%)
10,439	10,678	239	Premises & Equipment	9,862	166	318	10,346	10,024	-	-	10,024	(322)	(3%)	162	2%
2,869	3,298	428	Other Costs & Services	3,065	11	70	3,146	3,278	-	-	3,278	132	4%	213	7%
2,253	2,276	23	Ill health pension costs	2,212	-	-	2,212	2,276	-	-	2,276	63	3%	63	3%
5,370	6,365	995	Financing Items	5,229	-	-	5,229	6,215	-	-	6,215	986	16%	986	16%
23,066	24,790	1,725	Total Other Costs	22,530	245	518	23,293	23,631	-	310	23,941	647	3%	1,101	5%
-	-	-	Investment in productivity improvement	-	-	-	-	(0)	(0)	1,151	1,151	1,151	100%	(0)	(0%)
82,117	82,400	283	Gross Expenditure	81,441	292	1,568	83,301	81,326	(0)	1,829	83,155	(146)	(0%)	(115)	(0%)
(1,439)	(1,350)	89	Operational income	(1,650)	-	(0)	(1,650)	(975)	-	-	(975)	675	(69%)	675	(69%)
80,678	81,050	372	Net Expenditure	79,791	292	1,567	81,651	80,351	(0)	1,829	82,180	530	1%	560	1%
			Funding												
(7,833)	(6,188)	1,644	Government Grants	(7,249)	(135)	-	(7,385)	(6,387)	-	-	(6,387)	998	(16%)	863	(14%)
(8,473)	(8,473)	(0)	Revenue Support Grant	(8,511)	-	-	(8,511)	(8,520)	-	-	(8,520)	(9)	0%	(9)	0%
(16,919)	(16,519)	400	National Non-Domestic Rates	(16,901)	-	-	(16,901)	(16,519)	-	-	(16,519)	382	(2%)	382	(2%)
(543)	(400)	143	Council Tax Collection Account	(80)	-	-	(80)	(400)	-	-	(400)	(320)	80%	(320)	80%
(47,765)	(47,851)	(86)	Council Tax Precept	(47,796)	-	-	(47,796)	(47,451)	-	-	(47,451)	345	(1%)	345	(1%)
37	-	(37)	Council Tax Collection Impact	3	-	-	3	-	-	-	-	(3)		(3)	
(81,496)	(79,431)	2,064	Total Funding	(80,535)	(135)	-	(80,670)	(79,276)	-	-	(79,276)	1,394	(2%)	1,258	(2%)
(818)	1,618	2,436	Funding Gap / (Surplus)	(744)	157	1,567	980	1,075	(0)	1,829	2,904	1,924		1,818	
0	-	(0)	Cont'ns to/(from) General Bals	-	135	-	135	-	-	-	-	(135)	-	-	-
(64)	-	64	Cont'ns to/(from) Earmarked Reserves	-	(292)	(1,567)	(1,859)	-	-	(1,829)	(1,829)	30	(2%)	-	-
(64)	-	64	Total Contribution to/(from) Reserves	-	(157)	(1,567)	(1,724)	-	-	(1,829)	(1,829)	(105)	6%	-	-
(882)	1,618	2,500	Net Gap / (Surplus)	(744)	(0)	(0)	(744)	1,075	(0)	(0)	1,075	1,818		1,818	

2022-23 Outturn Projection



Description	BAU Budget £'000s	COVID Budget £'000s	Earmarked Projects Budget £'000s	2022-23 FY Budget £'000	BAU Forecast £'000s	COVID Forecast £'000s	Earmarked Projects Forecast £'000s	Q1 Forecast £'000	Movement from Budget to Q1 £'000	Variance %	BAU Forecast movement	Variance %
Wholetime Firefighters	35,767	-	571	36,337	35,831	-	630	36,461	(124)	(0%)	(64)	(0%)
On-Call Firefighters	7,263	-	-	7,263	7,830	-	-	7,830	(567)	(8%)	(567)	(8%)
Control	1,604	-	-	1,604	1,792	-	-	1,792	(187)	(12%)	(187)	(12%)
Support Staff	15,977	-	755	16,732	16,456	-	679	17,135	(403)	(2%)	(479)	(3%)
Inter Department Cross Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Employment Costs	60,611	-	1,326	61,937	61,908	-	1,310	63,217	(1,281)	(2%)	(1,296)	(2%)
Other Service Expenditure												
Support Costs	1,604	-	300	1,904	1,936	0	276	2,213	(308)	(16%)	(332)	(21%)
Premises & Equipment	10,106	-	100	10,206	10,468	5	209	10,682	(476)	(4%)	(361)	(4%)
Other Costs & Services	3,175	-	250	3,425	3,229	16	258	3,502	(78)	(2%)	(54)	(2%)
Ill Health Pension costs	2,184	-	-	2,184	2,186	-	-	2,186	(2)	(0%)	(2)	(0%)
Financing Items	5,897	-	-	5,897	5,720	-	-	5,720	177	3%	177	3%
Productivity improvement investment	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Costs	22,967	-	650	23,617	23,539	21	743	24,304	(687)	(2%)	(572)	(2%)
Gross Operating Expenditure	83,578	-	1,976	85,554	85,447	21	2,053	87,521	(1,967)	(2%)	(1,868)	(2%)
Operational income	(1,415)	-	-	(1,415)	(1,701)	-	-	(1,701)	286	(20%)	286	(20%)
Net Expenditure	82,163	-	1,976	84,138	83,745	21	2,053	85,820	(1,681)	(2%)	(1,582)	(2%)
Funding												
Government Grants Income	(7,549)	-	-	(7,549)	(7,549)	-	-	(7,549)	-	-	-	-
Revenue Support Grant	(8,780)	-	-	(8,780)	(8,763)	-	-	(8,763)	17	(0%)	(17)	0%
National Non-Domestic Rates	(16,519)	-	-	(16,519)	(16,519)	-	-	(16,519)	-	(0%)	-	(0%)
Council Tax Collection Account	-	-	-	-	(783)	-	-	(783)	783	-	783	-
Council Tax Precepts	(49,315)	-	-	(49,315)	(49,314)	-	-	(49,315)	(1)	0%	0	(0%)
NNDR surplus/deficit	-	-	-	-	(8)	-	-	(8)	8	-	8	-
Cont'ns to/(from) Earmarked Reserves	0	-	(1,976)	(1,976)	-	(21)	(2,047)	(2,068)	92	(5%)	0	-
Total Funding	(82,162)	-	(1,976)	(84,139)	(82,936)	(21)	(2,047)	(85,005)	866	(1%)	774	(1%)
Funding Gap/ (Surplus)				(1)	808	0	6	815	(815)		(808)	

Description	Management accounts per Power BI	Management Accounts					Transfer to Earmarked Reserves		Reclassified balances	Statutory Accounts £000s	Reverse S31 repayment (SJNL 23411)	S31 Grant	New S31 repayment provision	Collection Fund Adj.	Statutory Accounts £000s
		Accounts £000s	IAS 19 Pensions	Holiday Pay	Ill health	Capital Accounting and Impairment		Rounding							
Wholetime Firefighters	35,328	35,489	(5,654)	441	-	-	-	3	2,212	32,491				32,491	
On call firefighters	7,504	7,561	-	-	-	-	-	-	-	7,561				7,561	
Control	1,571	1,575	-	-	-	-	-	1	-	1,576				1,576	
Support staff	15,557	15,605	3,533	-	-	-	-	-	-	19,138				19,138	
Total Employment Costs	59,960	60,229	(2,121)	441	-	-	-	4	2,212	60,766				60,766	
Support costs	2,353	2,360	-	-	-	-	(3)	-	-	2,357				2,357	
Premises & Equipment	10,223	10,346	-	-	-	-	1	-	-	10,347				10,347	
Other costs & services	3,130	3,146	-	-	-	-	(1)	-	-	3,145				3,145	
Ill health pension costs	2,108	2,212	-	-	-	-	-	(2,212)	-	-				-	
Depreciation, impairment & other costs		-	-	-	-	-	-	-	3,607	3,607				3,607	
Financing Items	5,529	5,229	-	-	(343)	-	-	-	(4,780)	106				106	
Total Other Costs	23,342	23,293	-	-	(343)	-	(3)	(3,385)	19,562	19,562				19,562	
Gross Expenditure	83,302	83,523	(2,121)	441	-	(343)	-	1	(1,173)	80,328				80,328	
Income															
Specific Grant Income		-	-	-	-	-	-	-	(5,211)	(5,211)				(5,211)	
Operational Income	(1,650)	(1,650)	-	-	-	-	(2)	35		(1,617)				(1,617)	
Net Expenditure / Provision of Fire Services	81,652	81,871	(2,121)	441	-	(343)	-	(1)	(6,349)	73,500				73,500	
Other Operating Expenditure															
(Gain)/loss on disposal		-	-	-	-	(261)	-	-	-	(261)				(261)	
Pension admin costs		-	35	-	-	-	-	-	-	35				35	
Financing and Investment Income & Expenditure															
Interest payable		-	-	-	-	-	-	-	1,173	1,173				1,173	
Interest on pension scheme		-	18,238	-	-	-	-	-	-	18,238				18,238	
Investment income		-	-	-	-	-	-	(7)	-	(7)				(7)	
Disposal of investments		-	-	-	-	-	-	(28)	-	(28)				(28)	
Net Expenditure before Funding	81,652	81,871	16,152	441	-	(604)	-	(1)	(5,211)	92,650				92,650	
Funding															
Non-Specific Grant Income	(7,385)	(7,385)	-	-	-	-	-	-	5,211	(2,174)	(387)	(1,495)	408	(3,649)	
Revenue Support Grant	(8,511)	(8,511)	-	-	-	-	-	-	-	(8,511)				(8,511)	
Non Domestic Rates	(16,901)	(16,901)	-	-	-	-	-	-	-	(16,901)				(16,901)	
Council Tax Collection Account	(80)	(80)	-	-	-	-	-	-	-	(80)			(650)	(730)	
Council Tax Precepts	(47,796)	(47,796)	-	-	-	-	-	-	-	(47,796)				(47,796)	
Collection Fund Adjustment Account	3	3	-	-	-	-	-	-	-	3			509	513	
Total Funding	(80,670)	(80,670)	-	-	-	-	-	-	5,211	(75,459)	(387)	(1,495)	408	(77,075)	
Funding Gap/(Surplus)	981	1,201	16,152	441	-	(604)	-	(1)	-	17,191	(387)	(1,495)	408	15,576	
Contribution to/(from) Unusable Reserves		-	(16,152)	(441)	-	724	-	-	-	(15,869)				(141)	
Balance to be funded from Usable Reserves	981	1,201	-	-	-	120	-	(1)	-	1,323	(387)	(1,495)	408	0	
Contribution to/(from) General Balances	135	135	-	-	-	(135)	-	-	-	0				0	
Contribution to/(from) Earmarked Reserves	(1,841)	(1,737)	-	-	-	(120)	935	-	-	(922)		1,495	(408)	166	
Total Contribution to/(from) Reserves	(1,706)	(1,601)	-	-	-	(120)	800	(1)	-	(922)		1,495	(408)	165	
Net Gap/(Surplus)	(724)	(399)	-	-	-	-	800	(2)	-	401	(387)	-	-	0	