

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 - August 2022		
Type of Report:	Information		

SUMMARY

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

Executive Summary



Results for the period to August 2022

There was a deficit for the month of £303k compared to a budgeted deficit of £76k.

Pay explanations

- Pay costs were higher in the month, especially for On Call due to the heatwave related call outs as the costs for activity come through in arrears.
- On Call activity has been high YTD with turnout and training activity contributing towards over £100k of costs.
- Wholetime pay has come in lower with corresponding pension underspend due to lower FTE than Budgeted, YTD ASW is showing as £284k which offsets with gross pay underspends.
- Secondary contracts is tracking 159k underspent YTD, the costs were flat phased in the Budget and the variance to budget is due to reduce as the team are re-allocating the teams to meet performance KPIs stated in the White Paper.

The YTD variance to Budget for the Core Net Expenditure before Funding is £43k,. The overall position of actuals shows a surplus position of £1m (£229k above Core Budgeted position).

YTD Core costs include £51k underspend in Pay costs and £178k underspend in Non pay costs (£223k Support cost overspends relate to unbudgeted mileage and Training, Petrol and Diesel costs continue to drive an overspend in Property and Equipment.)

Funding shows an upside in the month, this is due to the surplus from Council tax collection funding and a release of the Service grant against OCLO costs. Reserve funding in P5 included a one off release against Sprinkler 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 decreased from £35.7m to £34.0m 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 Programme Management Board and Strategic Fleet Sub-Group. The budget for 2022-23 is £9.087m.

Other

There were no property sales in the month.

The 2022-23 BAU Forecast shows a projected deficit of £964k.

Budget templates have been returned by Budget Holders for a consolidated initial draft of the 2023-24 Budgets.

YTD Summary Income and Expenditure Statement to 31st August 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 %
14,670	15,093	423	Wholetime Firefighters	14,312	-	443	14,755	14,695	-	375	15,070	315	2%	383	3%
2,997	2,862	(135)	On Call Firefighters	3,722	-	-	3,722	2,968	-	-	2,968	(753)	(25%)	(753)	(25%)
642	653	10	Control	690	-	-	690	658	-	-	658	(32)	(5%)	(32)	(5%)
6,622	6,195	(427)	Support Staff	6,143	-	472	6,615	6,596	-	470	7,066	452	6%	453	6%
24,932	24,803	(129)	Total Employment Costs	24,866	-	915	25,781	24,917	-	845	25,762	(19)	(0%)	51	0%
944	894	(50)	Support Costs	890	0	18	908	667	-	125	792	(116)	(15%)	(223)	(28%)
4,314	4,177	(137)	Premises & Equipment	4,241	5	-	4,246	4,149	-	-	4,149	(98)	(2%)	(92)	(2%)
1,258	1,365	107	Other Costs & Services	1,375	16	56	1,448	1,406	-	20	1,426	(22)	(2%)	30	2%
896	938	42	Ill health pension costs	956	-	-	956	982	-	-	982	26	3%	26	3%
2,319	2,326	7	Financing Items	2,376	-	-	2,376	2,457	-	-	2,457	81	3%	81	3%
9,731	9,699	(32)	Total Other Costs	9,839	21	74	9,934	9,661	-	145	9,806	(128)	(1%)	(178)	(2%)
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
34,664	34,502	(161)	Gross Expenditure	34,705	21	989	35,715	34,578	-	990	35,568	(147)	(0%)	(127)	(0%)
(587)	(406)	181	Operational income	(673)	-	(1)	(674)	(590)	-	-	(590)	84	(14%)	84	(14%)
34,076	34,096	20	Net Expenditure before Funding	34,032	21	988	35,042	33,989	-	990	34,979	(63)	(0%)	(43)	(0%)
			Funding												
(3,111)	(2,661)	449	Government Grants	(3,107)	-	-	(3,107)	(3,145)	-	-	(3,145)	(38)	1%	(38)	1%
(4,905)	(4,905)	0	Revenue Support Grant	(5,038)	-	-	(5,038)	(5,055)	-	-	(5,055)	(17)	0%	(17)	0%
(7,018)	(7,020)	(2)	National Non-Domestic Rates	(6,786)	-	-	(6,786)	(6,786)	-	-	(6,786)	-	-	-	-
(29)	(70)	(41)	Council Tax Collection Account	(318)	-	-	(318)	-	-	-	-	318	-	318	-
(19,132)	(18,979)	153	Council Tax Precept	(19,759)	-	-	(19,759)	(19,759)	-	-	(19,759)	0	(0%)	0	(0%)
(13)	(14)	(1)	Council Tax Collection Impact	(9)	-	-	(9)	-	-	-	-	9	-	9	-
(34,208)	(33,650)	558	Total Funding	(35,017)	-	-	(35,017)	(34,745)	-	-	(34,745)	272	(1%)	272	(1%)
(132)	446	578	Funding Gap / (Surplus)	(985)	21	988	24	(757)	-	990	233	209	90%	229	98%
(52)	-	52	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(893)	-	893	Cont'ns to/(from) Earmarked Reserves	-	(21)	(989)	(1,010)	-	-	(990)	(990)	20	-	-	-
(945)	-	945	Total Contribution to/(from) Reserves	-	(21)	(989)	(1,010)	-	-	(990)	(990)	20	-	-	-
(1,077)	446	1,523	Net Gap / (Surplus)	(985)	0	(0)	(986)	(757)	-	-	(757)	229	-	229	-

Period Summary Income and Expenditure Statement to 31st August 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 %
3,048	2,894	(154)	Wholetime Firefighters	2,794	-	119	2,912	2,920	-	76	2,996	84	3%	126	4%
644	570	(74)	On Call Firefighters	934	-	-	934	594	-	-	594	(341)	(57%)	(341)	(57%)
131	131	(1)	Control	148	-	-	148	134	-	-	134	(14)	(10%)	(14)	(10%)
1,285	1,240	(45)	Support Staff	1,285	-	3	1,288	1,347	-	33	1,380	92	7%	62	5%
5,109	4,835	(274)	Total Employment Costs	5,160	-	122	5,282	4,994	-	109	5,103	(179)	(4%)	(166)	(3%)
208	179	(30)	Support Costs	125	-	3	128	133	-	25	158	30	19%	8	5%
869	835	(34)	Premises & Equipment	1,012	-	-	1,012	830	-	-	830	(182)	(22%)	(182)	(22%)
255	276	21	Other Costs & Services	295	-	50	345	277	-	12	289	(56)	(20%)	(18)	(6%)
170	177	7	Ill health pension costs	170	-	-	170	172	-	-	172	2	1%	2	1%
464	465	1	Financing Items	477	-	-	477	491	-	-	491	15	3%	15	3%
1,966	1,933	(34)	Total Other Costs	2,079	-	53	2,132	1,903	-	37	1,940	(192)	(10%)	(176)	(9%)
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
7,075	6,768	(307)	Gross Expenditure	7,239	-	175	7,414	6,897	-	146	7,043	(371)	(5%)	(342)	(5%)
(118)	(81)	36	Operational income	(92)	-	(0)	(92)	(118)	-	-	(118)	(26)	22%	(26)	22%
6,957	6,686	(271)	Net Expenditure	7,147	-	175	7,321	6,779	-	146	6,925	(396)	(6%)	(368)	(5%)
			Funding												
(593)	(532)	61	Government Grants	(700)	-	-	(700)	(629)	-	-	(629)	71	(11%)	71	(11%)
(516)	(516)	-	Revenue Support Grant	(532)	-	-	(532)	(532)	-	-	(532)	0	(0%)	0	(0%)
(1,370)	(1,370)	-	National Non-Domestic Rates	(1,304)	-	-	(1,304)	(1,304)	-	-	(1,304)	-	-	-	-
(5)	(5)	-	Council Tax Collection Account	(69)	-	-	(69)	-	-	-	-	69	-	69	-
(4,160)	(4,160)	-	Council Tax Precept	(4,238)	-	-	(4,238)	(4,238)	-	-	(4,238)	-	-	-	-
-	(3)	(3)	Council Tax Collection Impact	(1)	-	-	(1)	-	-	-	-	1	-	1	-
(6,645)	(6,587)	58	Total Funding	(6,844)	-	-	(6,844)	(6,703)	-	-	(6,703)	141	(2%)	141	(2%)
312	99	(213)	Funding Gap / (Surplus)	302	-	175	477	76	-	146	222	(255)		(227)	
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(137)	-	137	Cont'ns to/(from) Earmarked Reserves	-	-	(175)	(175)	-	-	(146)	(146)	28	(19%)	-	-
(137)	-	137	Total Contribution to/(from) Reserves	-	-	(175)	(175)	-	-	(146)	(146)	28	(19%)	-	-
176	99	(77)	Net Gap / (Surplus)	302	-	0	303	76	-	-	76	(227)		(227)	



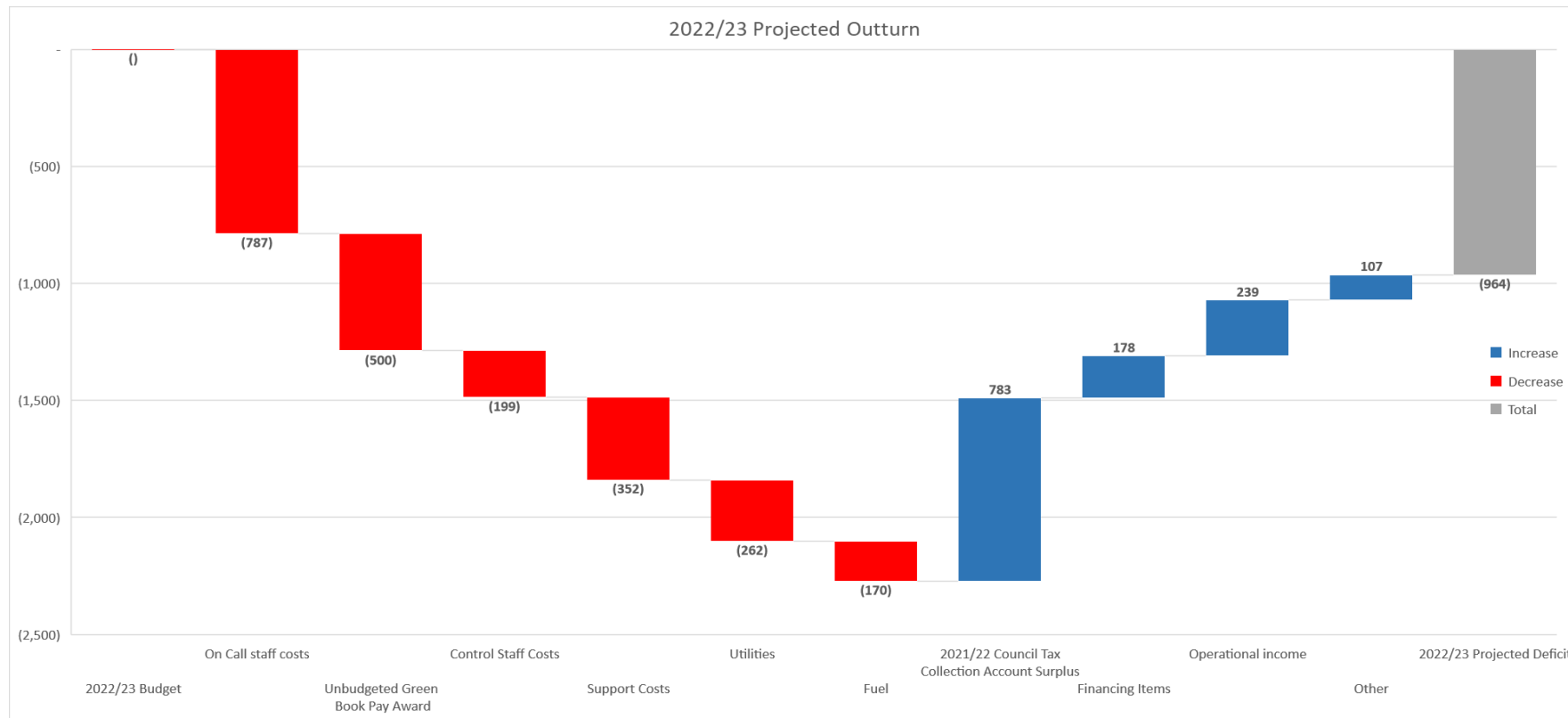
Operational Income

Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(13,256)	(12,505)	751	(6%)	(30,012)	
Childcare Vouchers	(9,028)	(25,000)	(15,972)	64%	(60,000)	
Canteen Income	(32,933)	(26,665)	6,268	(24%)	(63,996)	
Sale of Vehicle Spares	(32,913)	(10,415)	22,498	(216%)	(24,996)	
Aerial Sites	(52,906)	(54,165)	(1,259)	2%	(129,996)	
Solar Panel Income	(20,639)	(27,085)	(6,446)	24%	(65,004)	
Hydrant Tests	(27,356)	(33,335)	(5,979)	18%	(80,004)	
Lease Cars - Employee Contributions	(3,028)	(2,500)	528	(21%)	(6,000)	
Service Charges	(196)	(250)	(54)	22%	(600)	
Secondments	(99,745)	(68,630)	31,115	(45%)	(164,712)	
Community Safety General	(36,997)	(32,635)	4,362	(13%)	(78,324)	
Labour Credit	(39,038)	(22,915)	16,123	(70%)	(54,996)	
Section 13/16	(16,730)	(25,000)	(8,270)	33%	(60,000)	
Provision of Hire Vehicles & Equipment	(3,052)	0	3,052	0%	0	
Interest Received Short Term Investments	(23,055)	(4,165)	18,890	(454%)	(9,996)	
Community Safety Youth Work	(30,907)	0	30,907	0%	0	
Shared Services Income	(147,028)	(125,005)	22,023	(18%)	(300,012)	
Other Miscellaneous Income	(66,419)	(71,460)	(5,041)	7%	(171,504)	
Total Operational Income	(673,809)	(589,688)	84,120	(14%)	(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	(1,465,227)	(1,465,225)	2	(0%)	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution
DCLG BRR 2022-23	(585,145)	(585,145)	0	0%	(1,404,348)	Business Rate relief
USAR Grant 2022-23	(357,118)	(356,900)	218	(0%)	(856,560)	
Firelink Grant 2022-23	(257,085)	(259,785)	(2,700)	1%	(617,000)	Communications Network (Firelink) grant and New Risk Mosaic programme funding.
Services Grant (employers NI 1.25%) 2022-23	(173,320)	(194,165)	(20,845)	11%	(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	(219,152)	(286,665)	(67,513)	24%	(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	(7,625)	0	7,625		0	Home Office grant in relation to internal Audit costs (Redmond review grant offset monthly against audit fees).
Subtotal-Govt Grants	(3,107,229)	(3,147,885)	(40,656)	(1%)	(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 August 2022

	31st Aug 2022	31st Jul 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	3,682	3,349	1,985	333	1,697
Long term investments	-	-	-	-	-
Long term assets	140,298	139,966	138,601	333	1,697
Inventories	580	511	424	69	156
Short term debtors	4,901	5,017	8,746	(116)	(3,845)
Cash and cash equivalents	34,043	35,719	20,473	(1,676)	13,570
Assets held for sale	-	-	1,445	-	(1,445)
Current assets	39,524	41,246	31,089	(1,722)	8,435
* Short term borrowings	(1,000)	(1,000)	(1,250)	-	250
Short term creditors	(13,106)	(14,195)	(7,557)	1,088	(5,549)
Grants received in advance	(4,098)	(4,292)	(1,233)	193	(2,865)
Current liabilities	(18,204)	(19,486)	(10,040)	1,282	(8,164)
Long term borrowing	(23,500)	(23,500)	(23,500)	-	-
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)	(926,849)	(926,947)	-	98
NET LIABILITIES	(765,231)	(765,123)	(767,297)	(108)	2,066
Usable reserves					
General fund	5,326	5,630	4,341	(303)	985
Earmarked general fund reserves	10,161	10,336	11,035	(175)	(874)
Capital receipts reserve	14,598	14,598	13,153	-	1,445
Usable reserves	30,085	30,563	28,529	(478)	1,556
Unusable reserves					
Revaluation reserve	40,499	40,499	41,336	-	(837)
Capital adjustment account	68,220	67,850	66,978	370	1,242
* 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	(795,316)	(795,686)	(795,826)	370	510
TOTAL RESERVES	(765,231)	(765,123)	(767,297)	(108)	2,066

* Balances adjusted at year end only.

Key Movements

Fixed Assets:

- Increase in Assets under construction of £333k for the month. Significant expenditure in the month included work on phase 1 of the Training Project as well as the delivery of Shoeburyness.

Current Assets:

- No material change in short term debtors in the month.
- £1.7m reduction in cash and cash equivalents as cash outflows exceeded inflows for the month, as seen in the cashflow on page 8.
- No properties were sold in August.

Current Liabilities

- Short term creditors have reduced by £1.1m due to movements in the firefighters pension fund.
- Grants received in advance have reduced by £0.2m as grants are released to income across the year.

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.

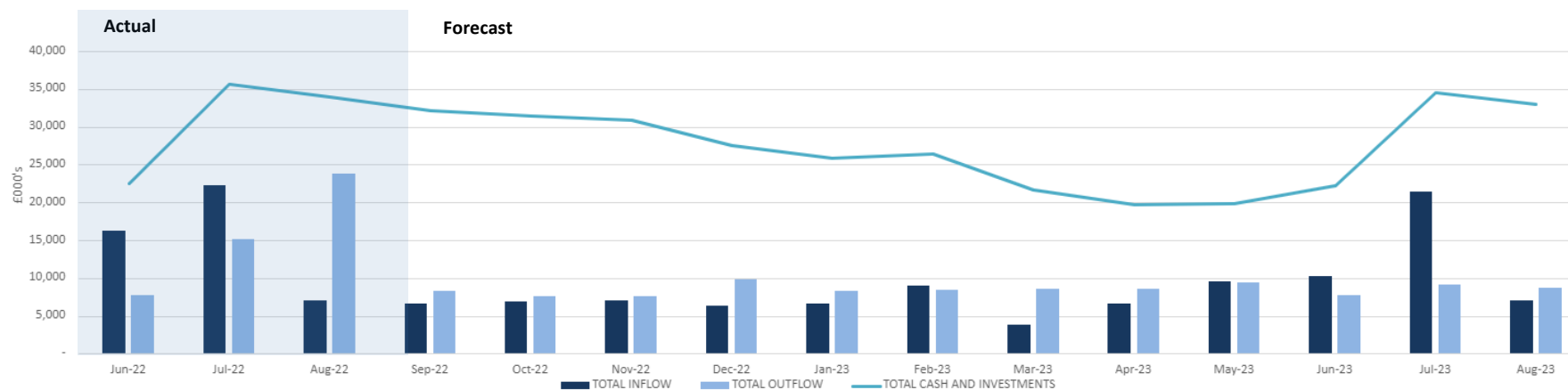
Movements in Unusable Reserves:

- No movement in the revaluation reserve 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

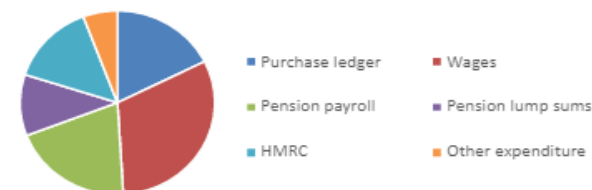
Total cash and investments at the end of August was £34.0m, down from £35.7m in July. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of £4.8m and grants of £2.1m. These receipts are in line with expectation.
- Cash outflows include purchase ledger payments of £2.0m, which is within the expected range of £1-2m.
- Investments rose to £28m, as £15m was invested for 90 days with the Debt Management Office (DMO), this is represented by the large cash outflow in the graph above.
- The remaining investments are in money market funds. These are highly liquid investments, and can be drawn down on the same-day. This gives the Authority flexibility to invest over longer periods in the DMO to obtain more favourable rates. Only £3m can be invested in each money market fund under the Treasury Mangement Strategy.
- There were no day crewed housing sales in August.

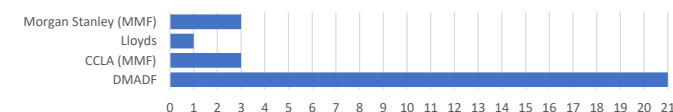
TREASURY MANAGEMENT INDICATORS

	<u>Actual</u>	<u>Explanation of Indicators</u>
Credit risk indicator	AAA	The average credit rating of investments must be A or greater.
Liquidity risk indicator	£34m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.14%	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 August 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	1,091	-	1,091	263
Asset Improvement Works Training Facilities Improvement	1,246	1,470	-	1,470	210
Asset Improvement Works - Shoeburyness	1,224	1,362	-	1,362	368
Total Property	3,771	3,923	-	3,923	841
Equipment	320	418	-	418	30
Information Technology					
Projects	3,792	3,232	-	3,232	108
Total Information Technology	3,792	3,232	-	3,232	108
Vehicles					
New Appliances	941	941	-	941	670
Other Vehicles	264	175	-	175	48
Total Vehicles	1,205	1,116	-	1,116	718
Total Capital Expenditure	9,087	8,688	-	8,688	1,697

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	90,000	-	90,000	-	-	81,725
Off Road Vehicles	6	-	-	-	-	-	-	-
Officers Cars (Principal Officers)	4	80,000	80,000	-	80,000	37,340	-	38,433
Specialist rescue vehicle	6	100,000	-	-	-	-	-	-
Light Vans	6	-	-	-	-	10,652	-	-
Ramps	12	-	-	-	-	-	-	-
Ladders	12	4,500	4,500	-	4,500	-	-	-
Total B113 - Vehicles		1,205,282	1,115,635	-	1,115,635	717,612	1,388,865	509,609
B116 - Operational Equipment								
Hose Reel Branch/Main Line Branch	10	160,000	180,000	-	180,000	2,265	-	-
BA Contamination machine	10	80,000	80,000	-	80,000	-	-	-
Foam replacement	8	-	80,000	-	80,000	-	-	-
Method entry equipment	8	30,000	30,000	-	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	418,140	-	418,140	30,405	-	-
B114 - ICT Equipment Digital & Data Strategy								
DEVICES	3	216,667	216,667	-	216,667	48,881	-	10,232
NETWORK	3	1,160,000	600,000	-	600,000	19,753	-	-
VOICE	3	47,197	47,197	-	47,197	39,686	-	-
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	3,231,596	-	3,231,596	108,321	-	1,856,356

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	367,680	290,522	910,257
Asset Protection Works - Training Facilities:								
Phase 1 - Chelmsford, Greys, Southend, SWF	20	681,416	681,000	-	681,000	210,372	130,162	537,891
Phase 2 - Braintree, Brentwood	20	280,256	233,000	-	233,000	-	-	202,345
Phase 3 - Harlow, Safron Waldon and Clacton	20	284,365	486,000	-	486,000	-	-	-
Witham Working at Height	20	-	70,000	-	70,000	-	-	-
Total B117 - Asset Improvement		2,470,515	2,832,000	-	2,832,000	578,052	420,684	1,650,493
B118 - Asset Protection								
Confirmed Projects for 2022/23								
Dunmow Yard	20	166,000	147,000	-	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	-	97,000	67,008	-	30,177
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	-	-	-	-	4,411	5,828	13,862
Chelmsford TC boilers	20	24,500	-	-	-	-	-	-
Projects to be confirmed by Property Services	20	369,900	-	-	-	-	-	-
B118 - Asset Protection		1,300,000	1,091,000	-	1,091,000	262,601	175,378	374,739
TOTAL FORECAST 2021-22		9,087,393	8,688,371	-	8,688,371	1,696,991	1,984,927	4,391,197



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 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	20 Months
2021/22	Follow-up 2022	Chief Finance Officer	-	2	-	1	-	1	-	1	4 Months
2022/23	Emergency Response Driving	Assistant Chief Executive - People Values and Culture	-	3	-	-	-	3	-	-	1 Months
THIS UPDATE			2	12	2	7	-	5	-	2	
			14		9		5		2		
			Percentage complete			64%		Percentage overdue			40%
LAST UPDATE			2	12	2	6	-	6	-	3	
			14		8		6		3		
			Percentage complete			57%		Percentage overdue			50%

External Audit Update

The audit fieldwork is progressing well, with the majority of the fieldwork complete. The draft audit findings report has been received from Grant Thornton, which is currently under review by the finance team.

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

Meetings were held with RSM to agree the scope of the Key Financial Controls and Efficiency & Cost Saving audits. The Cybersecurity audit has been delayed due to capacity within the ICT team, and has replaced the Information Governance audit in the 22/23 programme. This audit was removed due to the Information Governance audits provided by Essex County Council.

1 action was completed this month, leaving a total of 5 outstanding.

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

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

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	35,341	-	954	36,295	43	0%	426	1%
On-Call Firefighters	7,263	-	-	7,263	8,051	-	-	8,051	(787)	(11%)	(787)	(11%)
Control	1,604	-	-	1,604	1,804	-	-	1,804	(199)	(12%)	(199)	(12%)
Support Staff	15,977	-	755	16,732	16,465	-	591	17,056	(324)	(2%)	(488)	(3%)
Inter Department Cross Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Employment Costs	60,611	-	1,326	61,937	61,660	-	1,546	63,205	(1,268)	(2%)	(1,048)	(2%)
Other Service Expenditure												
Support Costs	1,604	-	300	1,904	1,957	-	205	2,162	(257)	(14%)	(352)	(22%)
Premises & Equipment	10,106	-	100	10,206	10,725	5	6	10,736	(530)	(5%)	(618)	(6%)
Other Costs & Services	3,175	-	250	3,425	3,314	16	217	3,548	(123)	(4%)	(140)	(4%)
Ill Health Pension costs	2,184	-	-	2,184	2,181	-	-	2,181	3	0%	3	0%
Financing Items	5,897	-	-	5,897	5,719	-	-	5,719	178	3%	178	3%
Productivity improvement investment	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Costs	22,967	-	650	23,617	23,896	21	428	24,346	(729)	(3%)	(929)	(4%)
Gross Operating Expenditure	83,578	-	1,976	85,554	85,556	21	1,974	87,551	(1,998)	(2%)	(1,978)	(2%)
Operational income	(1,415)	-	-	(1,415)	(1,655)	-	-	(1,655)	240	(17%)	239	(17%)
Net Expenditure	82,163	-	1,976	84,138	83,901	21	1,974	85,896	(1,758)	(2%)	(1,739)	(2%)
Funding												
Government Grants Income	(7,549)	-	-	(7,549)	(7,549)	-	-	(7,549)	-	0%	-	0%
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)	(49,315)	-	-	(49,315)	-	0%	-	(0%)
NNDR surplus/deficit	-	-	-	-	(9)	-	-	(9)	9	-	9	-
Cont'ns to/(from) Earmarked Reserves	0	-	(1,976)	(1,976)	-	(21)	(1,974)	(1,996)	20	(1%)	-	-
Total Funding	(82,162)	-	(1,976)	(84,139)	(82,938)	(21)	(1,974)	(84,934)	795	(1%)	776	(1%)
Funding Gap/ (Surplus)		-	(1)	(1)	963	-	-	963	(964)		(964)	