

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 - September 2022		
Type of Report:	Information		

SUMMARY

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

Executive Summary



Results for the period to September 2022

Net Expenditure in the month was £412k over Budget, the variance of the core overspend against Budget was £428k. This brings the overall position in the month to a deficit of £511k.

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. Data shows that £349k of On Call costs related to Heatwave shouts.
- Wholetime pay has come in lower with corresponding pension underspend due to lower FTE than Budgeted, YTD ASW is showing as £355k which offsets with gross pay underspends.
- Secondary contracts is tracking 224k 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.
- On Call activity has been high YTD with turnout and training activity contributing towards over £100k of costs.

The YTD variance to Budget for the Core Net Expenditure before Funding is £473k. The overall position of actuals shows a surplus position of £0.5m (188k below Core Budgeted position).

YTD Core costs include £209k overspend in Pay costs and £422k overspend in Non pay costs (£138k Support cost overspends relate to unbudgeted mileage and Training, £229k Petrol and Diesel costs continue to drive an overspend in Property and Equipment). The overspends are offset by the council tax pooling amount coming through funding which is showing as £387k YTD.

Funding shows an upside in the month, this is due to the surplus from Council tax collection funding, the adverse variance against Budget for Government Grants is due to the flat phasing of the Service Grant, the actual funding is being released in line with expenditure.

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 £34.0m to £30.0m in the month.
- The Cashflow Forecast on page 8 shows the forecast cash position of the Authority for the next twelve months.
- Due to the payroll processing timetable, there were two pension payments in September, this will reduce the movement in October.

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.

A summary report has been included in the Appendices to show the anticipated allocation of the Covid funding.

Non Pay and Pay Budget templates have been returned by Budget Holders and are being reviewed by the Strategic Leadership team for a consolidated initial draft

YTD Summary Income and Expenditure Statement to 30th September 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 %
17,696	18,055	358	Wholetime Firefighters	17,232	-	551	17,783	17,645	-	447	18,092	310	2%	413	2%
3,618	3,432	(185)	On Call Firefighters	4,659	-	-	4,659	3,562	-	-	3,562	(1,097)	(31%)	(1,097)	(31%)
785	783	(2)	Control	831	-	-	831	792	-	-	792	(39)	(5%)	(39)	(5%)
7,904	7,435	(470)	Support Staff	7,448	-	475	7,923	7,961	-	504	8,464	541	6%	513	6%
30,003	29,705	(298)	Total Employment Costs	30,168	-	1,026	31,195	29,959	-	951	30,910	(284)	(1%)	(209)	(1%)
1,053	1,072	19	Support Costs	1,069	1	18	1,088	800	-	150	950	(138)	(14%)	(269)	(28%)
5,117	5,012	(105)	Premises & Equipment	5,212	5	-	5,217	4,979	-	-	4,979	(239)	(5%)	(234)	(5%)
1,542	1,633	91	Other Costs & Services	1,662	30	75	1,767	1,655	-	50	1,705	(61)	(4%)	(6)	(0%)
1,064	1,115	51	Ill health pension costs	1,126	-	-	1,126	1,154	-	-	1,154	28	2%	28	2%
2,783	2,791	9	Financing Items	2,852	-	-	2,852	2,949	-	-	2,949	97	3%	97	3%
11,559	11,624	65	Total Other Costs	11,922	36	92	12,050	11,537	-	200	11,737	(313)	(3%)	(384)	(3%)
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
41,562	41,329	(233)	Gross Expenditure	42,090	36	1,119	43,245	41,497	-	1,151	42,648	(598)	(1%)	(593)	(1%)
(715)	(487)	228	Operational income	(828)	-	(1)	(829)	(708)	-	-	(708)	121	(17%)	120	(17%)
40,847	40,841	(6)	Net Expenditure before Funding	41,262	36	1,118	42,417	40,789	-	1,151	41,940	(477)	(1%)	(473)	(1%)
			Funding												
(3,597)	(3,193)	404	Government Grants	(3,679)	(1)	-	(3,680)	(3,774)	-	-	(3,774)	(94)	2%	(95)	3%
(5,425)	(5,421)	4	Revenue Support Grant	(5,570)	-	-	(5,570)	(5,587)	-	-	(5,587)	(17)	0%	(17)	0%
(8,388)	(8,390)	(2)	National Non-Domestic Rates	(8,090)	-	-	(8,090)	(8,090)	-	-	(8,090)	-	-	-	-
(34)	(75)	(41)	Council Tax Collection Account	(387)	-	-	(387)	-	-	-	-	387	-	387	-
(23,292)	(23,140)	153	Council Tax Precept	(23,997)	-	-	(23,997)	(23,997)	-	-	(23,997)	0	(0%)	0	(0%)
(13)	(18)	(4)	Council Tax Collection Impact	(11)	-	-	(11)	-	-	-	-	11	-	11	-
(40,750)	(40,237)	513	Total Funding	(41,734)	(1)	-	(41,735)	(41,448)	-	-	(41,448)	286	(1%)	285	(1%)
97	604	507	Funding Gap / (Surplus)	(471)	35	1,118	682	(660)	-	1,151	491	(191)	(39%)	(188)	(38%)
(52)	-	52	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(1,128)	(184)	943	Cont'ns to/(from) Earmarked Reserves	-	(36)	(1,119)	(1,155)	-	-	(1,151)	(1,151)	4	-	-	-
(1,180)	(184)	995	Total Contribution to/(from) Reserves	-	(36)	(1,119)	(1,155)	-	-	(1,151)	(1,151)	4	-	-	-
(1,082)	420	1,502	Net Gap / (Surplus)	(471)	(1)	(1)	(473)	(660)	-	-	(660)	(186)	-	(188)	-

Period Summary Income and Expenditure Statement to 30th September 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 %
3,026	2,860	(166)	Wholetime Firefighters	2,920	-	108	3,028	2,950	-	73	3,023	(5)	(0%)	30	1%
620	570	(50)	On Call Firefighters	937	-	-	937	594	-	-	594	(343)	(58%)	(343)	(58%)
143	131	(12)	Control	140	-	-	140	134	-	-	134	(7)	(5%)	(7)	(5%)
1,282	1,240	(42)	Support Staff	1,305	-	3	1,308	1,365	-	33	1,398	90	6%	60	4%
5,071	4,801	(270)	Total Employment Costs	5,302	-	112	5,414	5,042	-	106	5,148	(266)	(5%)	(260)	(5%)
110	179	69	Support Costs	177	1	-	179	133	-	25	158	(20)	(13%)	(44)	(28%)
803	835	32	Premises & Equipment	971	(0)	-	971	830	-	-	830	(141)	(17%)	(141)	(17%)
284	268	(16)	Other Costs & Services	287	14	18	319	250	-	30	280	(39)	(14%)	(37)	(13%)
168	177	9	Ill health pension costs	170	-	-	170	172	-	-	172	2	1%	2	1%
464	465	1	Financing Items	476	-	-	476	491	-	-	491	16	3%	16	3%
1,828	1,924	97	Total Other Costs	2,081	15	18	2,114	1,876	-	55	1,931	(183)	(9%)	(205)	(11%)
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
6,899	6,725	(174)	Gross Expenditure	7,383	15	130	7,528	6,918	-	161	7,079	(449)	(6%)	(465)	(7%)
(128)	(81)	47	Operational income	(155)	-	(0)	(155)	(118)	-	-	(118)	37	(31%)	37	(31%)
6,771	6,644	(127)	Net Expenditure	7,229	15	130	7,373	6,800	-	161	6,961	(412)	(6%)	(428)	(6%)
			Funding												
(486)	(532)	(46)	Government Grants	(572)	(1)	-	(573)	(629)	-	-	(629)	(56)	9%	(57)	9%
(520)	(516)	4	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	-
(6,542)	(6,587)	(46)	Total Funding	(6,716)	(1)	-	(6,718)	(6,703)	-	-	(6,703)	14	(0%)	13	(0%)
229	56	(173)	Funding Gap / (Surplus)	512	14	130	656	97	-	161	258	(398)		(415)	
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(234)	(184)	50	Cont'ns to/(from) Earmarked Reserves	-	(15)	(130)	(145)	-	-	(161)	(161)	(16)	10%	-	-
(234)	(184)	50	Total Contribution to/(from) Reserves	-	(15)	(130)	(145)	-	-	(161)	(161)	(16)	10%	-	-
(5)	(128)	(122)	Net Gap / (Surplus)	512	(1)	(0)	511	97	-	-	97	(414)		(415)	

Operational Income

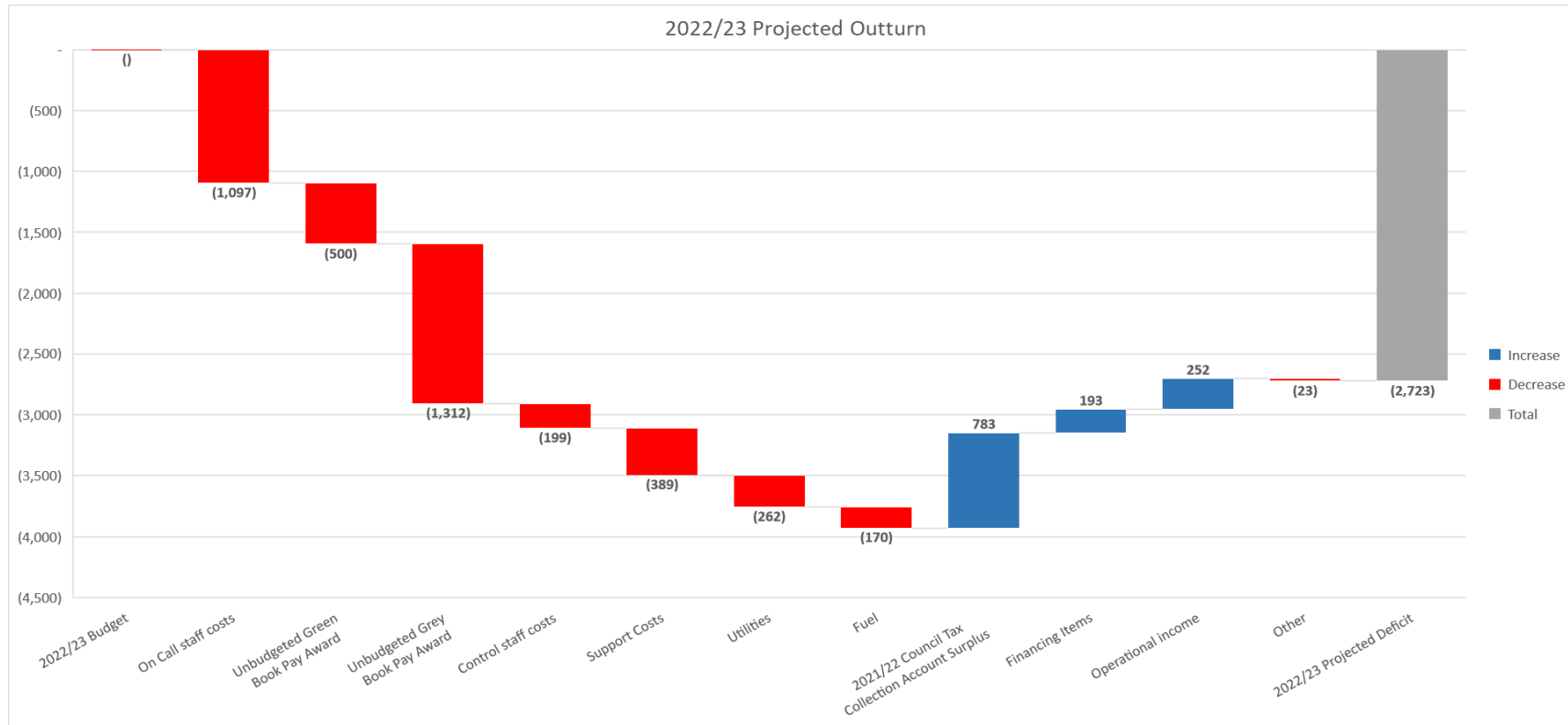


Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(15,414)	(15,006)	408	(3%)	(30,012)	
Childcare Vouchers	(10,695)	(30,000)	(19,305)	64%	(60,000)	
Canteen Income	(40,415)	(31,998)	8,417	(26%)	(63,996)	
Sale of Vehicle Spares	(43,174)	(12,498)	30,676	(245%)	(24,996)	
Aerial Sites	(63,487)	(64,998)	(1,511)	2%	(129,996)	
Solar Panel Income	(24,739)	(32,502)	(7,763)	24%	(65,004)	
Hydrant Tests	(33,552)	(40,002)	(6,450)	16%	(80,004)	
Lease Cars - Employee Contributions	(4,582)	(3,000)	1,582	(53%)	(6,000)	
Service Charges	(233)	(300)	(67)	22%	(600)	
Secondments	(141,474)	(82,356)	59,118	(72%)	(164,712)	
Community Safety General	(43,441)	(39,162)	4,279	(11%)	(78,324)	
Labour Credit	(51,040)	(27,498)	23,542	(86%)	(54,996)	
Section 13/16	(20,076)	(30,000)	(9,924)	33%	(60,000)	
Provision of Hire Vehicles & Equipment	(3,052)	0	3,052	0%	0	
Interest Received Short Term Investments	(44,028)	(4,998)	39,030	(781%)	(9,996)	
Community Safety Youth Work	(32,907)	0	32,907	0%	0	
Shared Services Income	(169,518)	(150,006)	19,512	(13%)	(300,012)	
Other Miscellaneous Income	(68,131)	(85,752)	(17,621)	21%	(171,504)	
Total Operational Income	(828,538)	(707,626)	120,912	(17%)	(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	(1,758,273)	(1,758,270)	3	(0%)	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution
DCLG BRR 2022-23	(702,174)	(702,174)	0	0%	(1,404,348)	Business Rate relief
USAR Grant 2022-23	(428,498)	(428,280)	218	(0%)	(856,560)	
Firelink Grant 2022-23	(308,502)	(311,742)	(3,240)	1%	(617,000)	Communications Network (Firelink) grant and New Risk Mosaic programme funding.
Services Grant (employers NI 1.25%) 2022-23	(209,993)	(232,998)	(23,005)	10%	(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	(236,245)	(343,998)	(107,753)	31%	(688,000)	Grant of circa £688k to fund one off investments, the funding is being released as costs are incurred.
Grenfell Grant release	(26,392)	0	26,392	0%	0	Grenfell grant released against ringfenced spend.
Other Grant Income	(10,231)	0	10,231		0	Home Office grant in relation to internal Audit costs (Redmond review grant offset monthly against audit fees).
Subtotal-Govt Grants	(3,680,308)	(3,777,462)	(97,154)	(3%)	(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.
- Additional unbudgeted pay award has been built into the outturn subject to latest offers.
- 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 - 30th September 2022



	30th Sep 2022 £000's	31st Aug 2022 £000's	31st Mar 2022 £000's	Variance Month £000's	Variance YTD £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	4,357	3,682	1,985	675	2,372
Long term investments	-	-	-	-	-
Long term assets	140,974	140,298	138,601	675	2,372
Inventories	519	580	424	-62	94
Short term debtors	4,714	4,901	8,746	-187	-4,032
Cash and cash equivalents	29,977	34,043	20,473	-4,066	9,503
Assets held for sale	-	-	1,445	-	-1,445
Current assets	35,210	39,524	31,089	-4,315	4,121
* Short term borrowings	(1,000)	(1,000)	(1,250)	-	250
Short term creditors	(9,974)	(13,106)	(7,557)	3,132	(2,417)
Grants received in advance	(4,029)	(4,098)	(1,233)	69	(2,796)
Current liabilities	(15,003)	(18,204)	(10,040)	3,201	(4,963)
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	(765,669)	(765,231)	(767,297)	(438)	1,628
Usable reserves					
General fund	4,800	5,326	4,341	(526)	459
Earmarked general fund reserves	9,880	10,161	11,035	(282)	(1,155)
Capital receipts reserve	14,598	14,598	13,153	-	1,445
Usable reserves	29,277	30,085	28,529	(808)	749
Unusable reserves					
Revaluation reserve	40,499	40,499	41,336	-	(837)
Capital adjustment account	68,590	68,220	66,978	370	1,612
* 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	(794,946)	(795,316)	(795,826)	370	880
TOTAL RESERVES	(765,669)	(765,231)	(767,297)	(438)	1,628

* Balances adjusted at year end only.

Key Movements

Fixed Assets:

- Increase in Assets under construction of £675k for the month.
- Significant expenditure in the month included work on phases 1 and 2 of the Training Project as well as the delivery of Shoeburyness.

Current Assets:

- Reduction of £236k in short term debtors due to movements in working capital.
- £4.0m reduction in cash and cash equivalents as cash outflows exceeded inflows for the month, as seen in the cashflow on page 8. The main driver of this was two pension payroll payments falling due in the month (total £3.5m). This means there will not be a payment in October.
- No properties were sold in the month.

Current Liabilities

- Short term creditors have reduced by £3.1m due to movements in the firefighters pension fund. The movement is high compared to last month due to two pension payroll payments this month.
- Grants received in advance have reduced by £0.1m 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:

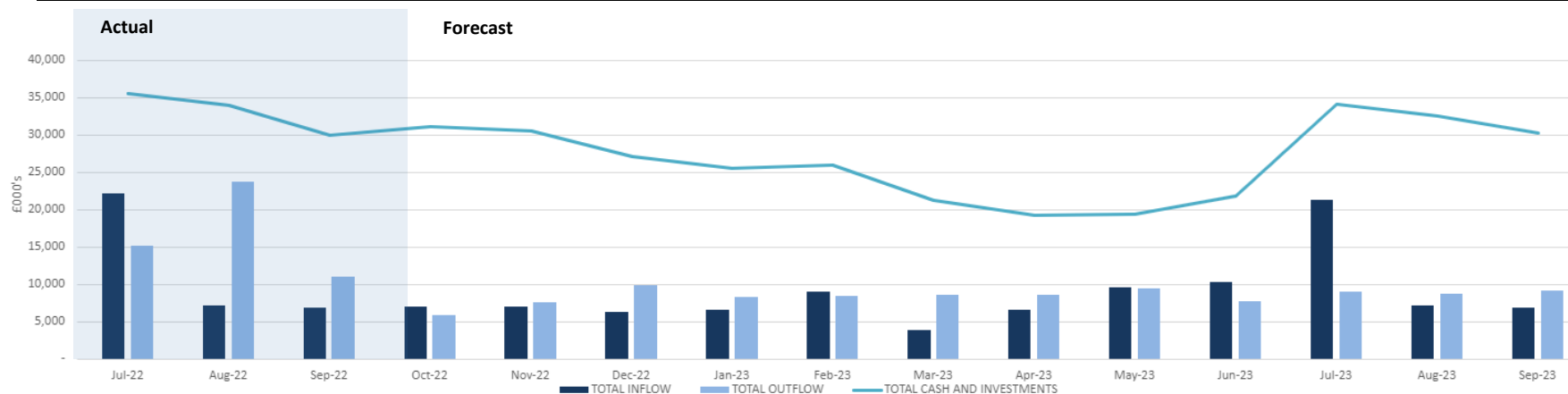
- No movement in the revaluation reserve in the month.

- The movement in the Capital Adjustment Account reflect adjustments for MRP in the month offset by disposal movements.



Cashflow Forecast

FORECAST CASH INFLOWS AND OUTFLOWS



COMMENTARY

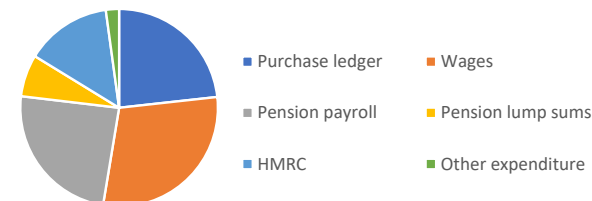
Total cash and investments at the end of September was £30.0m, down from £34.0m in August. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of £4.8m and grants of £1.8m. These receipts are in line with expectation.
- Cash outflows include purchase ledger payments of £2.6m, which is higher the expected range of £1-2m. This was due to large contractor payments for the BA Training Project.
- There were two pension payroll payments in the month due to the timing of payments at the start and end of the month, totalling £3.5m.
- Investments stayed at £28m, including £21m invested in UK government investments.
- 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 September.

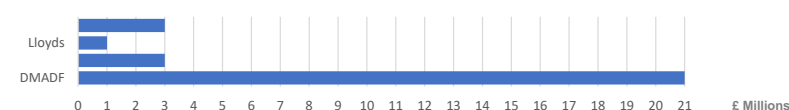
TREASURY MANAGEMENT INDICATORS

	Actual	Explanation of Indicators
Credit risk indicator	AAA	The average credit rating of investments must be A or greater.
Liquidity risk indicator	£30m	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 30th September 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	12	1,103	390
Asset Improvement Works Training Facilities Improvement	1,246	1,470	382	1,852	560
Asset Improvement Works - Shoeburyness	1,224	1,362	(25)	1,337	386
Total Property	3,771	4,132	369	4,292	1,335
Equipment	320	290	36	454	30
Information Technology					
Projects	3,792	3,792	(1,188)	2,043	117
Total Information Technology	3,792	3,792	(1,188)	2,043	117
Vehicles					
New Appliances	941	941	-	941	821
Other Vehicles	264	175	13	187	69
Total Vehicles	1,205	1,116	13	1,128	890
Total Capital Expenditure	9,087	9,329	(771)	7,917	2,372

Essex County Fire & Rescue Service - Capital Expenditure as at 30th September 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	821,335	1,388,865	119,800
ICU Internals	6	-	-	-	-	-	-	-
Light Vehicles	6	79,647	90,000	-	90,000	58,095	-	40,875
Off Road Vehicles	6	-	-	-	-	-	-	-
Officers Cars (Principal Officers)	4	80,000	80,000	-	80,000	-	-	38,433
Specialist rescue vehicle	6	100,000	-	-	-	-	-	-
Light Vans	6	-	-	-	-	10,652	-	-
Ramps	12	-	-	-	-	-	-	-
Ladders	12	4,500	4,500	12,500	17,000	-	-	-
Total B113 - Vehicles		1,205,282	1,115,635	12,500	1,128,135	890,082	1,388,865	199,109
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	-	-	-
Tyre Inflation Units	8	-	-	12,000	12,000	-	-	-
Fitness Equipment	-	-	-	24,000	24,000	-	-	-
Total B116 - Operational Equipment		320,000	290,000	36,000	454,140	30,405	-	-
B114 - ICT Equipment								
<i>Digital & Data Strategy</i>								
DEVICES	3	216,667	216,667	-	216,667	48,881	-	-
NETWORK	3	1,160,000	600,000	-	600,000	28,085	-	159,067
VOICE	3	47,197	47,197	-	47,197	39,686	-	-
<i>Other Projects</i>								
Station End Equipment	3	450,000	450,000	-450,000	-	-	-	-
Control Project	7	1,917,732	1,917,732	-738,450	1,179,282	-	-	1,846,124
Total B114 - ICT Equipment		3,791,596	3,791,596	-1,188,450	2,043,146	116,653	-	2,005,191

Essex County Fire & Rescue Service - Capital Expenditure as at 30th September 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	(25,000)	1,337,000	385,897	290,522	910,257
Asset Protection Works - Training Facilities:								
Phase 1 - Chelmsford, Greys, Southend, SWF	20	681,416	681,000	11,000	692,000	559,729	130,162	185,809
Phase 2 - Braintree, Brentwood	20	280,256	233,000	123,000	356,000	-	-	151,073
Phase 3 - Harlow, Safron Waldon and Clacton	20	284,365	486,000	16,000	502,000	-	-	-
Phase 3 (E) - Clacton	-	-	-	232,000	232,000	-	-	-
Witham Working at Height	20	-	70,000	-	70,000	-	-	-
Total B117 - Asset Improvement		2,470,515	2,832,000	357,000	3,189,000	945,626	420,684	1,247,140
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	27,236	-	71,541
Baddow boilers	20	90,000	97,000	-	97,000	67,008	-	30,177
BA Compressor Installation works - Clacton	20	50,000	65,000	12,000	77,000	53,997	-	10,832
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	45,703	52,618	167,904
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	3,029
Chelmsford TC boilers	20	24,500	-	-	-	-	-	-
Projects to be confirmed by Property Services	20	369,900	-	-	-	-	-	-
B118 - Asset Protection		1,300,000	1,300,000	12,000	1,103,000	389,537	175,378	301,800
TOTAL FORECAST 2022-23		9,087,393	9,329,231	(770,950)	7,917,421	2,372,302	1,984,927	3,753,239



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 Expected Outturn Covid Grant summary	
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	-	1	-	2	-	2	1 Months
THIS UPDATE			2	12	2	8	-	4	-	4	
			14		10		4		4		
			Percentage complete 71%				Percentage overdue 100%				
LAST UPDATE			2	12	2	7	-	4	-	2	
			14		9		4		2		
			Percentage complete 64%				Percentage overdue 50%				

External Audit Update

The draft audit findings report was presented to the September Audit Committee, which was well received with an overall clean opinion (no material adjustments to the accounts). This was presented alongside the final audited accounts, which were later authorised for approval at an extraordinary Strategic Board meeting.

The completion of the audit is contingent on the audit of Essex Pension Fund, which is expected to finish towards the end of October. The publication deadline of final audited accounts is the 30th November, therefore it is expected that our statutory deadline will be met.

Internal Audit Update

The Follow-up and Control Project audits are currently underway with RSM:

- The Follow-up audit provides assurance on completed recommendations.
- The Control Project audit is reviewing the implementation of the new Control System.

1 action was completed this month, leaving a total of 4 outstanding.

There are 4 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	Q2 Forecast £'000	Movement from Budget to Q2 £'000	Variance %	BAU Forecast movement	Variance %
Wholetime Firefighters	35,767	-	571	36,337	36,380	-	966	37,347	(1,009)	(3%)	(614)	(2%)
On-Call Firefighters	7,263	-	-	7,263	8,577	-	-	8,577	(1,314)	(18%)	(1,314)	(18%)
Control	1,604	-	-	1,604	1,873	-	-	1,873	(269)	(17%)	(269)	(17%)
Support Staff	15,977	-	755	16,732	16,326	-	635	16,961	(229)	(1%)	(349)	(2%)
Inter Department Cross Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Employment Costs	60,611	-	1,326	61,937	63,156	-	1,601	64,757	(2,820)	(5%)	(2,545)	(4%)
Other Service Expenditure												
Support Costs	1,604	-	300	1,904	1,994	1	168	2,163	(258)	(14%)	(389)	(24%)
Premises & Equipment	10,106	-	100	10,206	10,800	5	100	10,905	(699)	(7%)	(694)	(7%)
Other Costs & Services	3,175	-	250	3,425	3,500	30	75	3,604	(180)	(5%)	(325)	(10%)
Ill Health Pension costs	2,184	-	-	2,184	2,176	-	-	2,176	8	0%	8	0%
Financing Items	5,897	-	-	5,897	5,704	-	-	5,704	193	3%	193	3%
Productivity improvement investment	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Costs	22,967	-	650	23,617	24,174	36	342	24,553	(936)	(4%)	(1,207)	(5%)
Gross Operating Expenditure	83,578	-	1,976	85,554	87,330	36	1,944	89,310	(3,757)	(4%)	(3,752)	(4%)
Operational income	(1,415)	-	-	(1,415)	(1,667)	(1)	-	(1,669)	253	(18%)	252	(18%)
Net Expenditure	82,163	-	1,976	84,138	85,663	35	1,944	87,642	(3,503)	(4%)	(3,500)	(4%)
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	(0%)
Council Tax Collection Account	-	-	-	-	(783)	-	-	(783)	783	-	783	-
Council Tax Precepts	(49,315)	-	-	(49,315)	(49,315)	-	-	(49,315)	(0)	0%	0	(0%)
NNDR surplus/deficit	-	-	-	-	(11)	-	-	(11)	11	-	11	-
Cont'ns to/(from) Earmarked Reserves	0	-	(1,976)	(1,976)	-	(36)	(1,944)	(1,980)	4	(0%)	0	-
Total Funding	(82,162)	-	(1,976)	(84,139)	(82,939)	(36)	(1,944)	(84,920)	781	(1%)	777	(1%)
Funding Gap/ (Surplus)	-	-	(1)	(1)	2,723	(1)	(0)	2,723	(2,723)	(100%)	(2,723)	(100%)

INCOME

First Tranche of Covid 19 Emergency Funding - March 20
 Second Tranche of Covid 19 Emergency Funding - May 2020
 Third Tranche of Covid 19 Emergency Funding - April 2021
 Fourth Tranche of Covid 19 Emergency Funding- Additional 2021/22 (Recommendation was to spend the Grant on productivity and efficiency relates items).
TOTAL FUNDING

290,932
1,378,051
233,344
135,361
2,037,688

I - STAFFING COSTS	CC	20/21		21/22		22/23 YTD				Further expected costs 22/23	Further expected costs 23/24	Est Total Cost	Comments
		Costs	Costs	Costs	Costs	Oct-22	Nov-22	Dec-22	Jan-22				
		£	£	£	£	£	£	£	£	£	£	£	
On Call additional costs - service response		0	13,682	0						0	0	13,682	Self Isolation costs
Wholetime overtime (including control)- service response		32,800	951	0						0	0	33,751	Recall to duty payments
On Call additional costs - LRF support		201,529	0	0						0	0	201,529	
Wholetime overtime - LRF support	9501	0	0	0						0	0	0	
On Call additional costs - National response		0	0	0						0	0	0	
Wholetime overtime - National response		0	0	0						0	0	0	
ARA's	Not in 9501	10,191	0	0						0	0	10,191	
ARA's Recovery	9501	13,300	0	0						0	0	13,300	
Productivity and Efficiencies													E40k New Finance BP - To improve savings and efficiencies
Other		3,967	17,890	0			40,000		136,221	176,221	92,367	268,588	E44k Day Duty GM for P P & R Change Programme
Sub-Total: Staffing costs		261,787	32,524	0	0	40,271	0	136,221	0	176,492	92,367	563,170	E271 for Covid Vaccination Training
II - PROTECTIVE EQUIPMENT													
PPE	Various	323,142	3,492	0						0	0	326,634	
Cleaning and decontamination supplies	9501	178,688	251,628	0						0	0	430,315	
Lateral Flow Tests		74,100	0	59						0	0	74,159	
Sub-Total: Equipment		575,930	255,120	59						0	0	831,108	
III - OTHER COSTS													
ICT Infrastructure and licencing	9501	17,713	7,517	8,287	7,200	4,800	2,400			14,400	0	0	Work Networks License - Work Place
Thermometers	9501	1,199	0	0						0	0	1,199	
Signage		44,745	0	0						0	0	44,745	
Other		16,608	-3,217	0	55,000	21,000				21,000	0	34,391	E21k added in for fitness advisor courses/training
Recharge of PPE		-9,837	0	0						0	0	-9,837	E55k for driving instructor 12 month FTC
Recharge of PPE to West Mids FRS													
Changes to Workplace on return to work		0	0	30,000						0	0	30,000	Moveworks consultancy 15k in June and 15k in September.
Sub-Total: Other costs		70,428	4,300	35,887	62,200	25,800	2,400	0	0	35,400	0	193,815	
IIII - CAPITAL COSTS													
WTC Classroom		0	0	0						0	0	0	
Voice Project		0	36,894	24,956	0	0	0	0	0	0	0	61,851	catch up of ICT voice project costs in capital in P6
ICT costs		211,193	83,705	14,750	0	0	0	0	0	0	0	309,647	
		211,193	120,599	39,706	0	0	0	0	0	0	0	371,498	
TOTAL ADDITIONAL COSTS		1,119,337	412,542	75,652	62,200	66,071	2,400	136,221	0	211,892	92,367	1,959,591	
REVENUE SPEND		908,145	291,944										
CAPITAL SPEND		211,193	120,599										
		1,119,337	412,542										
STOCK SPEND		298,421										78,097	
												3.8%	
Amount of 2020/21 Grant remaining		251,225	412,542										

Note: The accounting method on recognising Covid stock that hasn't been utilised is being looked into.