

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



Meeting	<b>Fire &amp; Rescue - Performance and Resources Board</b>	Agenda Item	
Meeting Date		Report Number	
Report Author:	Beth Blackburn, Senior Finance Business Partner		
Presented By	Neil Cross - Chief Finance Officer		
Subject	<b>Budget Review - December 2022</b>		
Type of Report:	Information		

**SUMMARY**

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

## Executive Summary



### Results for the period to December 2022

The YTD position shows a surplus of £271k, this is £686k less than the Budgeted BAU position. The main reason for this variance is due to the change in Support staff cost variance as the pay award was processed to reflect 9 months of additional costs.

In the month, there was a deficit of £710k, the variance to Core Budget is £502k which is purely the variance from issue the pay award to green book staff.

### YTD Pay explanations

#### Wholetime Firefighters:

YTD we are £502k under BAU Budget:

- 11.0FTE under on Operational staff.
- Change in Pension scheme.
- Offset underspends with unbudgeted YTD ASW.

#### On Call Firefighters:

- Data shows that £464k of On Call costs related to Heatwave shouts.
- Higher On Call activity due to turnout and training activity

#### Control:

- £57k of the Overspend relates to additional overtime and increased resource in the team.

#### Support staff:

- Secondary contracts within Support staff is tracking 176k underspent YTD.
- £153k is from recharging partnership forums.
- The Green book pay award has been processed in December with the first 9 months of costs reflecting in the Budget and Actuals. The Budget cost was at 2% whereas the actual costs were agreed at £1.9k for the full year.

#### Non Pay

YTD Core non pay costs include £141k overspend in Non pay costs (Support cost overspends relate to unbudgeted mileage, overspend of fuel costs in Property and Equipment, offset by savings in MRP)

#### Funding

The overspends are offset by the council tax pooling amount coming through funding.

Government Grants includes the Service Grant which contains funding that covered the 1.25% increase in NI, the increase in NI ended on 6th November.

The other element of the Service Grant is un-ringfenced and has been allocated to one off investments. The Budget for this has been flat phased whereas the Grant actuals are offset against the costs when they come in which explains the underspend, this is due to timing.

A one off grant for electrical safety has been included for £4.8k in the month.

Operational income is £342k higher YTD, £227k of this is from interest received on short term investments, detail of these are included on the Cashflow Forecast.

The expenditure allocated against Earmarked Reserves has been realigned and is in line with the Decision sheets, this has no net impact on the I&E.

### **Balance Sheet Statement and Cashflow Forecast**

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

Cash and cash equivalents decreased from £27.4m to £25.8m in the month, this was due to Project cost outflows.

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 two property sales in the month totalling £751k.



## YTD Summary Income and Expenditure Statement to 31st December 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 %
23,643	23,882	239	WholeTime Firefighters	25,599	-	745	26,344	26,101	-	655	26,756	412	2%	502	2%
4,941	4,613	(328)	On-Call Firefighters	6,903	-	-	6,903	5,343	-	-	5,343	(1,560)	(29%)	(1,560)	(29%)
1,045	1,045	(1)	Control	1,249	-	-	1,249	1,180	-	-	1,180	(69)	(6%)	(69)	(6%)
10,419	9,914	(505)	Support Staff	12,182	7	341	12,530	12,014	-	634	12,648	118	1%	(168)	(1%)
<b>40,048</b>	<b>39,454</b>	<b>(594)</b>	<b>Total Employment Costs</b>	<b>45,934</b>	<b>7</b>	<b>1,086</b>	<b>47,027</b>	<b>44,638</b>	<b>-</b>	<b>1,289</b>	<b>45,927</b>	<b>(1,100)</b>	<b>(2%)</b>	<b>(1,296)</b>	<b>(3%)</b>
1,524	1,430	(94)	Support Costs	1,319	1	241	1,561	1,200	-	225	1,425	(136)	(10%)	(119)	(8%)
6,668	6,683	15	Premises & Equipment	7,912	5	-	7,917	7,543	-	-	7,543	(375)	(5%)	(369)	(5%)
2,189	2,191	2	Other Costs & Services	2,441	30	194	2,665	2,568	-	-	2,568	(97)	(4%)	127	5%
1,407	1,469	63	Ill health pension costs	1,647	-	-	1,647	1,669	-	-	1,669	22	1%	22	1%
3,683	3,722	39	Financing Items	4,226	-	-	4,226	4,423	-	-	4,423	197	4%	197	4%
<b>15,470</b>	<b>15,495</b>	<b>24</b>	<b>Total Other Costs</b>	<b>17,545</b>	<b>36</b>	<b>435</b>	<b>18,016</b>	<b>17,404</b>	<b>-</b>	<b>225</b>	<b>17,629</b>	<b>(388)</b>	<b>(2%)</b>	<b>(141)</b>	<b>(1%)</b>
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
<b>55,519</b>	<b>54,949</b>	<b>(570)</b>	<b>Gross Expenditure</b>	<b>63,479</b>	<b>43</b>	<b>1,521</b>	<b>65,043</b>	<b>62,042</b>	<b>-</b>	<b>1,514</b>	<b>63,555</b>	<b>(1,488)</b>	<b>(2%)</b>	<b>(1,437)</b>	<b>(2%)</b>
<b>(1,000)</b>	<b>(650)</b>	<b>350</b>	<b>Operational Income</b>	<b>(1,403)</b>	<b>-</b>	<b>-</b>	<b>(1,403)</b>	<b>(1,061)</b>	<b>-</b>	<b>-</b>	<b>(1,061)</b>	<b>342</b>	<b>(32%)</b>	<b>342</b>	<b>(32%)</b>
<b>54,519</b>	<b>54,299</b>	<b>(220)</b>	<b>Net Expenditure before Funding</b>	<b>62,075</b>	<b>43</b>	<b>1,521</b>	<b>63,640</b>	<b>60,980</b>	<b>-</b>	<b>1,514</b>	<b>62,494</b>	<b>(1,146)</b>	<b>(2%)</b>	<b>(1,095)</b>	<b>(2%)</b>
-	-	-	<b>Funding</b>	-	-	-	-	-	-	-	-	-	-	-	-
(4,758)	(4,258)	501	Government Grants	(5,456)	(1)	-	(5,457)	(5,662)	-	-	(5,662)	(205)	4%	(206)	4%
(6,458)	(6,454)	4	Revenue Support Grant	(7,183)	-	-	(7,183)	(7,183)	-	-	(7,183)	0	(0%)	0	(0%)
(11,525)	(11,166)	359	National Non-Domestic Rates	(12,036)	-	-	(12,036)	(12,036)	-	-	(12,036)	-	-	-	-
(50)	(91)	(41)	Council Tax Collection Account	(601)	-	-	(601)	-	-	-	-	601	-	601	-
(31,944)	(31,791)	153	Council Tax Precept	(37,055)	-	-	(37,055)	(37,055)	-	-	(37,055)	0	(0%)	0	(0%)
6	(24)	(30)	Council Tax Collection Impact	(14)	-	-	(14)	-	-	-	-	14	-	14	-
<b>(54,728)</b>	<b>(53,784)</b>	<b>945</b>	<b>Total Funding</b>	<b>(62,344)</b>	<b>(1)</b>	<b>-</b>	<b>(62,345)</b>	<b>(61,935)</b>	<b>-</b>	<b>-</b>	<b>(61,935)</b>	<b>410</b>	<b>(1%)</b>	<b>409</b>	<b>(1%)</b>
<b>(209)</b>	<b>515</b>	<b>725</b>	<b>Funding Gap / (Surplus)</b>	<b>(269)</b>	<b>42</b>	<b>1,521</b>	<b>1,295</b>	<b>(955)</b>	<b>-</b>	<b>1,514</b>	<b>559</b>	<b>(736)</b>	<b>(132%)</b>	<b>(686)</b>	<b>(123%)</b>
(24)	-	24	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(1,371)	(368)	1,003	Cont'ns to/(from) Earmarked Reserves	-	(43)	(1,522)	(1,565)	-	-	(1,514)	(1,514)	52	-	-	-
<b>(1,395)</b>	<b>(368)</b>	<b>1,027</b>	<b>Total Contribution to/(from) Reserves</b>	<b>-</b>	<b>(43)</b>	<b>(1,522)</b>	<b>(1,565)</b>	<b>-</b>	<b>-</b>	<b>(1,514)</b>	<b>(1,514)</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(1,605)</b>	<b>147</b>	<b>1,752</b>	<b>Net Gap / (Surplus)</b>	<b>(269)</b>	<b>(1)</b>	<b>(1)</b>	<b>(271)</b>	<b>(955)</b>	<b>-</b>	<b>-</b>	<b>(955)</b>	<b>(684)</b>	<b>-</b>	<b>(686)</b>	<b>-</b>

## Period Summary Income and Expenditure Statement to 31st December 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 %
2,954	2,814	(140)	Wholetime Firefighters	2,758	-	78	2,836	2,857	-	69	2,926	91	3%	99	3%
658	590	(67)	On-Call Firefighters	731	-	-	731	594	-	-	594	(137)	(23%)	(137)	(23%)
130	131	1	Control	137	-	-	137	131	-	-	131	(6)	(5%)	(6)	(5%)
1,228	1,240	12	Support Staff	1,988	2	11	2,002	1,530	-	27	1,557	(445)	(29%)	(458)	(29%)
<b>4,969</b>	<b>4,775</b>	<b>(194)</b>	<b>Total Employment Costs</b>	<b>5,615</b>	<b>2</b>	<b>89</b>	<b>5,705</b>	<b>5,112</b>	<b>-</b>	<b>96</b>	<b>5,208</b>	<b>(498)</b>	<b>(10%)</b>	<b>(503)</b>	<b>(10%)</b>
190	179	(12)	Support Costs	123	-	(3)	120	133	-	25	158	39	25%	10	7%
797	835	38	Premises & Equipment	931	-	-	931	855	-	-	855	(77)	(9%)	(77)	(9%)
362	275	(87)	Other Costs & Services	296	-	17	313	280	-	-	280	(34)	(12%)	(16)	(6%)
167	177	10	Ill health pension costs	171	-	-	171	172	-	-	172	1	0%	1	0%
436	465	29	Financing Items	417	-	-	417	491	-	-	491	74	15%	74	15%
<b>1,952</b>	<b>1,932</b>	<b>(21)</b>	<b>Total Other Costs</b>	<b>1,939</b>	<b>-</b>	<b>14</b>	<b>1,952</b>	<b>1,931</b>	<b>-</b>	<b>25</b>	<b>1,956</b>	<b>3</b>	<b>0%</b>	<b>(8)</b>	<b>(0%)</b>
-	-	-	Investment in productivity improvement	-	-	-	-	-	-	-	-	-	-	-	-
<b>6,921</b>	<b>6,706</b>	<b>(215)</b>	<b>Gross Expenditure</b>	<b>7,553</b>	<b>2</b>	<b>103</b>	<b>7,658</b>	<b>7,043</b>	<b>-</b>	<b>121</b>	<b>7,164</b>	<b>(494)</b>	<b>(7%)</b>	<b>(510)</b>	<b>(7%)</b>
(145)	(81)	64	Operational income	(189)	-	-	(189)	(118)	-	-	(118)	71	(60%)	71	(60%)
<b>6,776</b>	<b>6,625</b>	<b>(151)</b>	<b>Net Expenditure</b>	<b>7,365</b>	<b>2</b>	<b>103</b>	<b>7,469</b>	<b>6,925</b>	<b>-</b>	<b>121</b>	<b>7,046</b>	<b>(423)</b>	<b>(6%)</b>	<b>(440)</b>	<b>(6%)</b>
			<b>Funding</b>												
(581)	(532)	48	Government Grants	(496)	-	(25)	(521)	(629)	-	-	(629)	(108)	17%	(133)	21%
(516)	(516)	-	Revenue Support Grant	(532)	-	-	(532)	(532)	-	-	(532)	0	(0%)	0	(0%)
(1,731)	(1,370)	361	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)	-	-	-	-
(1)	(3)	(2)	Council Tax Collection Impact	(1)	-	-	(1)	-	-	-	-	1	-	1	-
<b>(6,994)</b>	<b>(6,587)</b>	<b>407</b>	<b>Total Funding</b>	<b>(6,640)</b>	<b>-</b>	<b>(25)</b>	<b>(6,666)</b>	<b>(6,703)</b>	<b>-</b>	<b>-</b>	<b>(6,703)</b>	<b>(38)</b>	<b>1%</b>	<b>(63)</b>	<b>1%</b>
<b>(218)</b>	<b>38</b>	<b>256</b>	<b>Funding Gap / (Surplus)</b>	<b>724</b>	<b>2</b>	<b>77</b>	<b>804</b>	<b>222</b>	<b>-</b>	<b>121</b>	<b>343</b>	<b>(461)</b>		<b>(502)</b>	
28	-	(28)	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(103)	(44)	60	Cont'ns to/(from) Earmarked Reserves	-	(2)	(91)	(93)	-	-	(121)	(121)	(28)	23%	-	-
<b>(76)</b>	<b>(44)</b>	<b>32</b>	<b>Total Contribution to/(from) Reserves</b>	<b>-</b>	<b>(2)</b>	<b>(91)</b>	<b>(93)</b>	<b>-</b>	<b>-</b>	<b>(121)</b>	<b>(121)</b>	<b>(28)</b>	<b>23%</b>	<b>-</b>	<b>-</b>
<b>(294)</b>	<b>(6)</b>	<b>288</b>	<b>Net Gap / (Surplus)</b>	<b>724</b>	<b>-</b>	<b>(14)</b>	<b>710</b>	<b>222</b>	<b>-</b>	<b>-</b>	<b>222</b>	<b>(488)</b>		<b>(502)</b>	

## Balance Sheet - 31st December 2022

	31st Dec 2022 £000's	30th Nov 2022 £000's	31st Mar 2022 £000's	Variance Month £000's	Variance YTD £000's
<b>Property, plant &amp; equipment</b>					
Land and buildings	125,530	126,217	126,527	(687)	(997)
* Vehicles, plant & equipment	10,089	10,089	10,089	-	-
Assets under construction	5,585	5,437	1,985	148	3,601
Long term investments	-	-	-	-	-
<b>Long term assets</b>	<b>141,205</b>	<b>141,743</b>	<b>138,601</b>	<b>(539)</b>	<b>2,604</b>
Inventories	579	558	424	21	154
Short term debtors	7,188	4,894	8,746	2,294	(1,559)
Cash and cash equivalents	25,847	29,227	20,473	(3,380)	5,374
Assets held for sale	-	-	1,445	-	(1,445)
<b>Current assets</b>	<b>33,614</b>	<b>34,679</b>	<b>31,089</b>	<b>(1,065)</b>	<b>2,535</b>
* Short term borrowings	(1,000)	(1,000)	(1,250)	-	250
Short term creditors	(8,096)	(9,125)	(7,557)	1,030	(539)
Grants received in advance	(3,970)	(4,116)	(1,233)	146	(2,737)
<b>Current liabilities</b>	<b>(13,066)</b>	<b>(14,241)</b>	<b>(10,040)</b>	<b>1,176</b>	<b>(3,025)</b>
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
<b>Long term liabilities</b>	<b>(926,849)</b>	<b>(926,849)</b>	<b>(926,947)</b>	<b>-</b>	<b>98</b>
<b>NET LIABILITIES</b>	<b>(765,096)</b>	<b>(764,668)</b>	<b>(767,297)</b>	<b>(428)</b>	<b>2,200</b>
<b>Usable reserves</b>					
General fund	4,613	5,322	4,341	(709)	272
Earmarked general fund reserves	9,470	9,563	11,035	(93)	(1,565)
Capital receipts reserve	15,714	14,963	13,153	752	2,562
<b>Usable reserves</b>	<b>29,797</b>	<b>29,848</b>	<b>28,529</b>	<b>(51)</b>	<b>1,268</b>
<b>Unusable reserves</b>					
Revaluation reserve	39,940	40,324	41,336	(384)	(1,397)
Capital adjustment account	69,203	69,196	66,978	7	2,285
* 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
<b>Unusable reserves</b>	<b>(794,893)</b>	<b>(794,516)</b>	<b>(795,826)</b>	<b>(377)</b>	<b>993</b>
<b>TOTAL RESERVES</b>	<b>(765,096)</b>	<b>(764,668)</b>	<b>(767,297)</b>	<b>(428)</b>	<b>2,201</b>

\* Balances adjusted at year end only.

### Key Movements

#### Fixed Assets:

- Increase in Assets under construction of £148k 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:

- Increase in short term debtors due to movements in working capital, including prepayments.
- £1,619k reduction in cash and cash equivalents as cash outflows exceeded inflows for the month, as seen in the cashflow on page 8.
- Two properties were sold in December for a total of £752k.

#### Current Liabilities

- Short term creditors have reduced by £1,008k due to a reduction in purchase ledger, monthly accruals and movements in the firefighters pension fund.
- Grants received in advance have reduced by £121k as grants are released to income.

#### 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.

## Outturn movement from Full Year Budget including Reserves



Description	2022-23 FY Budget £'000	YTD Actuals	YTG	2022-23 FY Outturn £'000	Movement from Budget to Outturn £'000	Variance of movement %
Wholetime Firefighters	36,337	26,344	10,639	36,983	(646)	(2%)
On-Call Firefighters	7,263	6,903	2,692	9,595	(2,332)	(32%)
Control	1,604	1,249	512	1,762	(157)	(10%)
Support Staff	16,732	12,530	4,082	16,613	119	1%
Inter Department Cross Charges						
<b>Total Employment Costs</b>	<b>61,937</b>	<b>47,027</b>	<b>17,926</b>	<b>64,953</b>	<b>(3,016)</b>	<b>(5%)</b>
<b>Other Service Expenditure</b>						
Support Costs	1,904	1,561	537	2,098	(194)	(10%)
Premises & Equipment	10,206	7,917	2,958	10,875	(668)	(7%)
Other Costs & Services	3,425	2,665	907	3,572	(148)	(4%)
Ill Health Pension costs	2,184	1,647	525	2,172	12	1%
Financing Items	5,897	4,226	1,308	5,534	364	6%
Productivity improvement investment						
<b>Total Other Costs</b>	<b>23,617</b>	<b>18,016</b>	<b>6,235</b>	<b>24,251</b>	<b>(635)</b>	<b>(3%)</b>
<b>Gross Operating Expenditure</b>	<b>85,554</b>	<b>65,043</b>	<b>24,161</b>	<b>89,204</b>	<b>(3,650)</b>	<b>(4%)</b>
Operational income	(1,415)	(1,403)	(520)	(1,923)	508	(36%)
<b>Net Expenditure</b>	<b>84,138</b>	<b>63,640</b>	<b>23,641</b>	<b>87,281</b>	<b>(3,142)</b>	<b>(4%)</b>
<b>Funding</b>						
Government Grants Income	(7,549)	(5,457)	(3,692)	(9,149)	1,600	(21%)
Revenue Support Grant	(8,780)	(7,183)	(1,597)	(8,780)	0	(0%)
National Non-Domestic Rates	(16,519)	(12,036)	(3,890)	(15,926)	(593)	4%
Council Tax Collection Account		(601)	(183)	(783)	783	-
Council Tax Precepts	(49,315)	(37,055)	(12,260)	(49,315)	0	(0%)
Council Tax Collection Impact		(14)	(14)	(14)	14	-
Cont'ns to/(from) Earmarked Reserves	(1,976)	(1,565)	(524)	(2,089)	113	(6%)
<b>Total Funding</b>	<b>(84,139)</b>	<b>(63,910)</b>	<b>(22,145)</b>	<b>(86,056)</b>	<b>1,917</b>	<b>(2%)</b>
<b>Funding Gap/ (Surplus)</b>	<b>()</b>	<b>(271)</b>	<b>1,496</b>	<b>1,225</b>	<b>(1,225)</b>	

# Operational Income



Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(22,049)	(22,509)	(460)	2%	(30,012)	
Childcare Vouchers	(14,862)	(45,000)	(30,138)	67%	(60,000)	
Sales of Vehicles	450	0	(450)	0%	0	
Canteen Income	(65,915)	(47,997)	17,918	(37%)	(63,996)	
Sale of Vehicle Spares	(67,543)	(18,747)	48,796	(260%)	(24,996)	
Aerial Sites	(95,231)	(97,497)	(2,266)	2%	(129,996)	
Solar Panel Income	(37,039)	(48,753)	(11,714)	24%	(65,004)	
Hydrant Tests	(79,560)	(60,003)	19,557	(33%)	(80,004)	
Lease Cars - Employee Contributions	(6,157)	(4,500)	1,657	(37%)	(6,000)	
General Sales	(11,052)	0	11,052	0%	0	
Service Charges	(827)	(450)	377	(84%)	(600)	
Secondments	(217,908)	(123,534)	94,374	(76%)	(164,712)	
Community Safety General	(58,346)	(58,743)	(397)	1%	(78,324)	
Labour Credit	(86,086)	(41,247)	44,839	(109%)	(54,996)	
Section 13/16	(31,899)	(45,000)	(13,101)	29%	(60,000)	
Provision of Hire Vehicles & Equipment	(3,559)	0	3,559	0%	0	
Interest Received Short Term Investements	(234,337)	(7,497)	226,840	(3026%)	(9,996)	
Events Income	(7,530)	(86,325)	(78,795)	91%	(115,100)	
Community Safety Youth Work	(30,152)	0	30,152	0%	0	
Shared Services Income	(226,381)	(225,009)	1,372	(1%)	(300,012)	
Other Miscellaneous Income	(107,300)	(128,628)	(21,328)	17%	(171,504)	
<b>Total Operational Income</b>	<b>(1,403,283)</b>	<b>(1,061,439)</b>	<b>341,844</b>	<b>(32%)</b>	<b>(1,415,252)</b>	

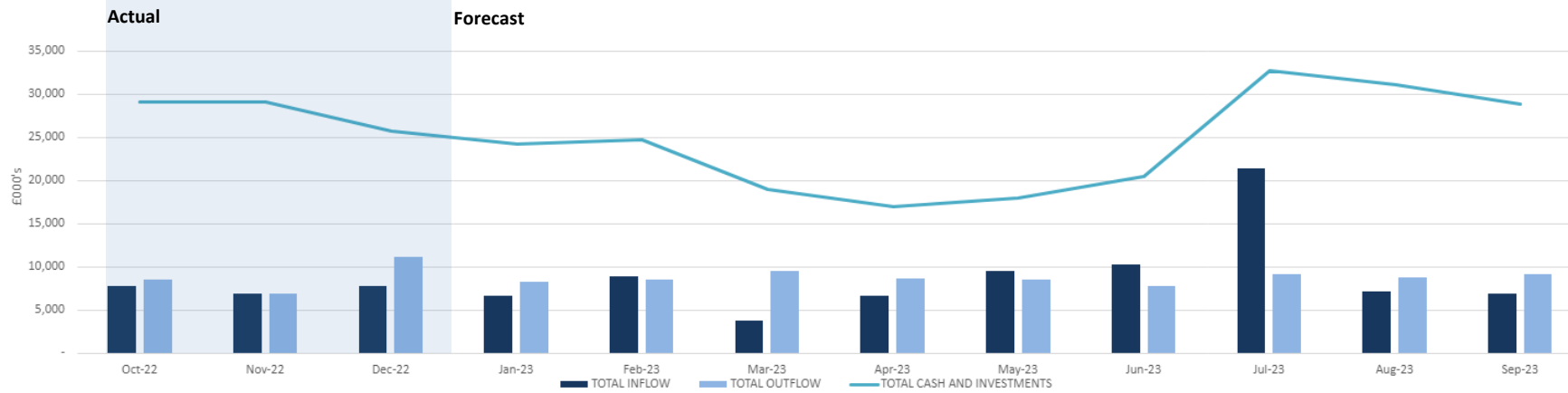
## Specific Government Grants Income

Specific Government Grants	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Addn Pens Grant Accr	(2,739,617)	(2,637,405)	102,212	(4%)	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution £102k higher from prior year release
DCLG BRR 2022-23	(1,053,261)	(1,053,261)	0	0%	(1,404,348)	Business Rate relief
USAR Grant 2022-23	(642,638)	(642,420)	218	(0%)	(856,560)	
Firelink Grant 2022-23	(367,163)	(467,613)	(100,450)	21%	(617,000)	Communications Network (Firelink) grant and New Risk Mosaic programme funding.
Services Grant (employers NI 1.25%) 2022-23	(342,984)	(349,497)	(6,513)	2%	(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	(202,959)	(511,506)	(308,547)	60%	(688,000)	Grant of circa £688k to fund one off investments, the funding is being released as costs are incurred.
Grenfell Grant release	(84,846)	0	84,846	0%	0	Grenfell grant released against ringfenced spend.
Other Grant Income	(27,936)	0	27,936	0%	0	Home Office grant in relation to internal Audit costs (Redmond review grant offset monthly against audit fees).
<b>Subtotal-Govt Grants</b>	<b>(5,461,403)</b>	<b>(5,661,702)</b>	<b>(200,299)</b>	<b>(4%)</b>	<b>(7,548,453)</b>	

# Cashflow Forecast



## FORECAST CASH INFLOWS AND OUTFLOWS



### COMMENTARY

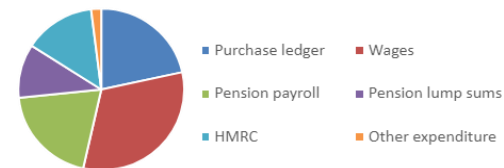
Total cash and investments at the end of December was £25.8m, down from £27.4m in November. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of £4.7m and grants of £1.9m. These receipts are in line with expectation.
- Cash outflows include purchase ledger payments of £2.0m, which is in line with the expected range of £1-2m.
- The Authority hold investments of £21m, including £14m of fixed term investments in UK government gilts and bank deposits.
- 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 Management Strategy.
- There were two day crewed house sales in December for a total of £751k.

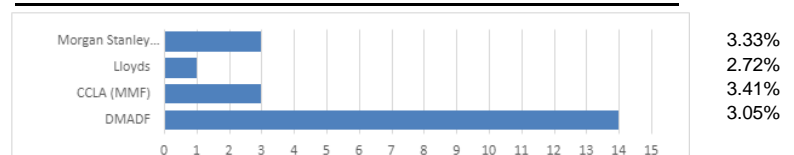
### TREASURY MANAGEMENT INDICATORS

	Actual	Explanation of Indicators
<b>Credit risk indicator</b>	AAA	The average credit rating of investments must be A or greater.
<b>Liquidity risk indicator</b>	£26m	The target cash available within 3 months is £8.5m.
<b>Monthly interest rate movement</b>	0.29%	Change in average interest rate received.
<b>Price risk indicator</b>	£nil	The limit on the amount that can be invested beyond 12 months.
<b>Refinancing rate indicator:</b>		
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

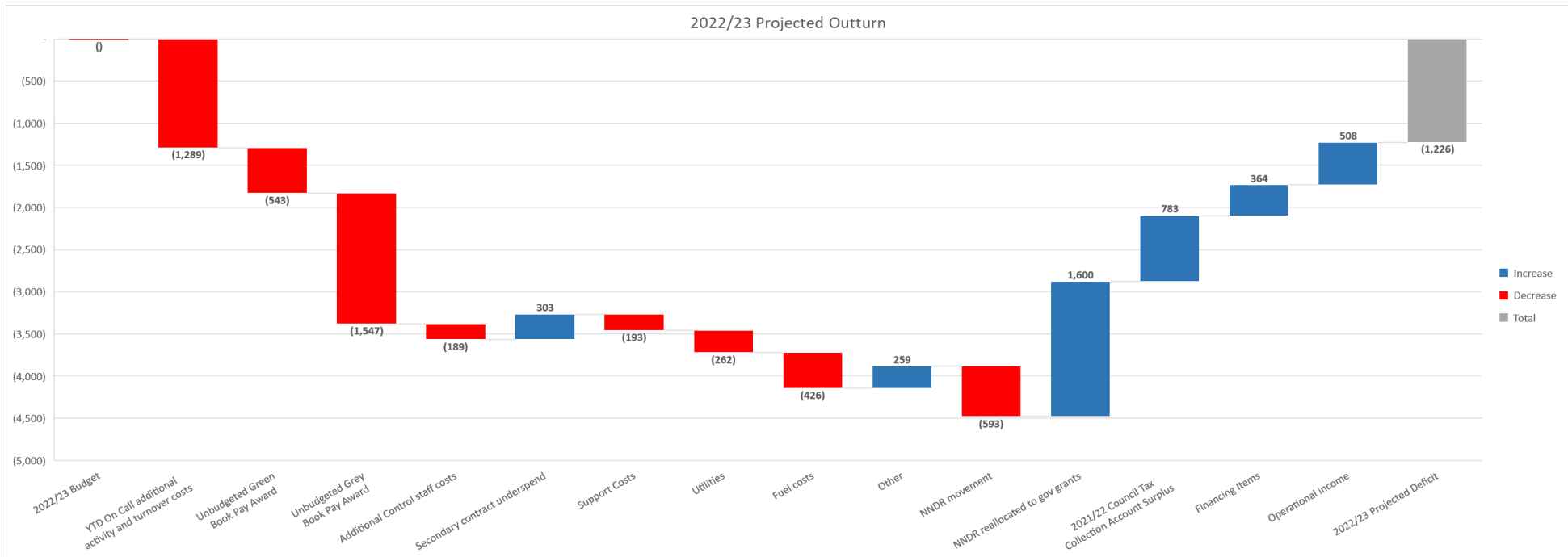


### INVESTMENTS





## Movement in Outturn 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.
- Utility costs due to increase from October 2022 (45% increase in Electricity and 110% increase in Gas costs).
- Fuel includes YTD overspends based on quantity increasing along with increasing prices. A further overspend in Fuel costs of £170k in the year is also expected.
- NNDR reallocated to Government Grants. Additional funding from NNDR.
- 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 along with income from interest received.

Essex County Fire & Rescue Service - Capital Expenditure as at 31st December 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	1,103	(101)	1,002	603
Asset Improvement Works Training Facilities Improvement	1,246	1,852	74	1,805	864
Asset Improvement Works - Shoeburyness	1,224	1,337	-	1,337	477
<b>Total Property</b>	<b>3,771</b>	<b>4,292</b>	<b>(27)</b>	<b>4,144</b>	<b>1,944</b>
<b>Equipment</b>	<b>320</b>	<b>454</b>	<b>(110)</b>	<b>344</b>	<b>30</b>
<b>Information Technology</b>					
Projects	3,792	2,043	-	2,043	641
<b>Total Information Technology</b>	<b>3,792</b>	<b>2,043</b>	<b>-</b>	<b>2,043</b>	<b>641</b>
<b>Vehicles</b>					
New Appliances	941	941	-	941	917
Other Vehicles	264	187	-	187	69
<b>Total Vehicles</b>	<b>1,205</b>	<b>1,128</b>	<b>-</b>	<b>1,128</b>	<b>985</b>
<b>Total Capital Expenditure</b>	<b>9,087</b>	<b>7,917</b>	<b>(137)</b>	<b>7,659</b>	<b>3,601</b>

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



\* To be agreed at asset board

\*\* Provision for limited capacity 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
<b>B113 - Vehicles</b>								
Appliances (Pumping)	15	941,135	941,135	-	941,135	916,529	1,388,865	24,606
Light Vehicles	6	79,647	90,000	-	90,000	58,095	-	30,620
Officers Cars (Principal Officers)	4	80,000	80,000	-	80,000	-	-	38,433
Light Vans	6	-	-	-	-	10,652	-	-
Ladders	12	4,500	17,000	-	17,000	-	-	-
<b>Total B113 - Vehicles</b>		<b>1,205,282</b>	<b>1,128,135</b>	<b>-</b>	<b>1,128,135</b>	<b>985,276</b>	<b>1,388,865</b>	<b>93,659</b>
<b>B116 - Operational Equipment</b>								
Hose Reel Branch/Main Line Branch	10	160,000	180,000	-	180,000	2,265	-	183,223
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	-	-	-
<b>Total B116 - Operational Equipment</b>		<b>320,000</b>	<b>454,140</b>	<b>(110,000)</b>	<b>344,140</b>	<b>30,405</b>	<b>-</b>	<b>183,223</b>
<b>B114 - ICT Equipment</b>								
<b>Digital &amp; Data Strategy</b>								
DEVICES	3	216,667	216,667	-	216,667	124,949	-	21,926
NETWORK	3	1,160,000	600,000	-	600,000	21,271	-	210,709
VOICE	3	47,197	47,197	-	47,197	24,855	-	-
Civica API - to be reviewed	-	-	-	-	-	8,332	-	-
<b>Other Projects</b>								
Station End Equipment	3	450,000	-	-	-	-	-	-
Control Project	7	1,917,732	1,179,282	-	1,179,282	461,531	-	1,398,099
<b>Total B114 - ICT Equipment</b>		<b>3,791,596</b>	<b>2,043,146</b>	<b>-</b>	<b>2,043,146</b>	<b>640,938</b>	<b>-</b>	<b>1,630,734</b>

# Essex County Fire & Rescue Service - Capital Expenditure as at 31st December 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
<b>B112 - Land &amp; Building</b>								
Lexden Workshops Relocation	20	-	-	-	-	-	-	-
<b>Total B112 - Land &amp; Building</b>		-	-	-	-	-	-	-
<b>B117 - Asset Improvements</b>								
Asset Improvement Works - Shoeburyness	20	1,224,478	1,337,000	-	1,337,000	477,347	290,522	777,806
<b>Asset Protection Works - Training Facilities:</b>								
Phase 1 - Chelmsford, Greys, Southend, SWF	20	681,416	692,000	17,000	692,000	630,413	-	71,628
Phase 2 - Braintree, Brentwood	20	280,256	356,000	15,000	356,000	233,153	-	48,977
Phase 3 - Harlow, Safron Waldon and Clacton	20	284,365	502,000	61,000	502,000	-	-	-
Phase 3 (E) - Clacton		-	232,000	(21,000)	232,000	-	-	-
Consultancy Support		-	-	49,000	-	-	112,848	-
Witham Working at Height	20	-	70,000	(47,000)	23,000	-	-	22,870
<b>Total B117 - Asset Improvement</b>		<b>2,470,515</b>	<b>3,189,000</b>	<b>74,000</b>	<b>3,142,000</b>	<b>1,340,913</b>	<b>403,370</b>	<b>921,281</b>
<b>B118 - Asset Protection</b>								
<b>Confirmed Projects for 2022/23</b>								
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	73,218	-	38,963
Baddow boilers	20	90,000	97,000	-	97,000	67,008	-	13,403
BA Compressor Installation works - Clacton	20	50,000	77,000	-	77,000	53,997	17,314	10,832
STC Boiler	20	-	58,000	-	58,000	44,566	-	-
Harlow Bay Floors	20	-	100,000	-	100,000	-	-	-
Rochford Windows	20	-	101,000	(101,000)	-	-	-	-
AB floors (Coggeshall, Hawkwell,	20	117,600	214,000	-	214,000	208,561	52,618	6,415
<b>Other Projects Including Planning Stage</b>								
Great Baddow Roof	20	-	150,000	-	150,000	-	-	-
Witham TC offices	20	7,000	-	-	-	-	116,930	-
Witham TC boiler	20	80,000	-	-	-	-	-	-
Epping part refurbishment	20	60,000	-	-	-	-	-	-
Orsett Fra (50%)	20	240,000	-	-	-	-	-	-
Retentions and small works	20	-	-	-	-	9,050	5,830	16,559
Chelmsford TC boilers	20	24,500	-	-	-	-	-	-
Projects to be confirmed by Property Services	20	369,900	-	-	-	-	-	-
<b>B118 - Asset Protection</b>		<b>1,300,000</b>	<b>1,103,000</b>	<b>(101,000)</b>	<b>1,002,000</b>	<b>603,016</b>	<b>192,692</b>	<b>91,489</b>
<b>TOTAL FORECAST 2022-23</b>		<b>9,087,393</b>	<b>7,917,421</b>	<b>(137,000)</b>	<b>7,659,421</b>	<b>3,600,548</b>	<b>1,984,927</b>	<b>2,920,386</b>



## **BENEFITS AND RISK/ FINANCIAL IMPLICATIONS**

The review of expenditure against the profiled budget is part of the overall financial control process of the Authority.

In exceptional circumstances it allows for budget virements to ensure that under spending against budget heads can be utilised to fund expenditure against other priorities.

If virements are not made there is a risk that the Authority will miss out on opportunities to improve performance and meet key objectives during the year.

The Authority's reserves are at the upper end of their target range and the Authority is able to fund short term fluctuations in activity from them when necessary.

The review of the management accounts is one control measure to mitigate the risk of overspending the Authority's budget for the year.

## **EQUALITY AND DIVERSITY IMPLICATIONS**

There are no direct Equality or Diversity implications within this report

## **LEGAL IMPLICATIONS**

There are no direct legal implications within this report.

## **HEALTH & SAFETY IMPLICATIONS**

There are no direct Health and Safety implications within this report.

## **ACTIONS / NEXT STEPS**

<b>LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
List of background documents – including appendices, hardcopy or electronic including any relevant link/s.	
Appendices: Internal and External Audit Recommendations Expected Outturn	
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		
2021/22	Follow up 21/22	Various action owners	-	2	-	1	-	1	-	1	8 Months	
2022/23	Emergency Response Driving	Assistant Chief Executive - People Values and Culture	-	3	-	1	-	2	-	2	5 Months	
2022/23	Follow up 22/23	Various action owners	-	6	-	-	-	6	-	-	0 Months	
2022/23	Control Project	Head of ICT	-	2	-	-	-	2	-	-	0 Months	
<b>THIS UPDATE</b>			-	13	-	2	-	11	-	3		
			13		2		11		3			
			<b>Percentage complete</b>				15%		<b>Percentage overdue</b>			
<b>LAST UPDATE</b>			-	13	-	2	-	11	-	3		
			13		2		11		3			
			<b>Percentage complete</b>				15%		<b>Percentage overdue</b>			

### External Audit Update

The completion of the audit is contingent on the audit of Essex Pension Fund. The report was initially expected for October, but due to delays this was received in December. The publication deadline of final audited accounts is the 30th November - the final accounts have been published with the caveat that further audit work is required.

Looking forward to the current year end, the draft accounts deadline is 31st May 2023, brought forward from July. The Finance Team will need to carefully plan for this shortened timeframe, and is liaising with other departments to ensure all stakeholders are sighted, given the additional pressure this will create.

### Internal Audit Update

The Cybersecurity audit is still outstanding and is expected to be received in January. The following audits are currently underway:

- CIPFA Financial Management Code and Additional Shift Work
- Efficiency Savings

No actions were closed this month.

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	2022-23 FY Outturn £'000	Movement from Budget to Outturn £'000	Variance %	BAU Forecast movement	Variance %
Wholetime Firefighters	35,767	-	571	36,337	36,153	-	831	36,983	(646)	(2%)	(386)	(1%)
On-Call Firefighters	7,263	-	-	7,263	9,588	7	-	9,595	(2,332)	(32%)	(2,325)	(32%)
Control	1,604	-	-	1,604	1,762	-	-	1,762	(157)	(10%)	(157)	(10%)
Support Staff	15,977	-	755	16,732	15,992	-	620	16,613	119	1%	(15)	(0%)
<b>Total Employment Costs</b>	<b>60,611</b>	<b>-</b>	<b>1,326</b>	<b>61,937</b>	<b>63,495</b>	<b>7</b>	<b>1,451</b>	<b>64,953</b>	<b>(3,016)</b>	<b>(5%)</b>	<b>(2,884)</b>	<b>(5%)</b>
<b>Other Service Expenditure</b>												
Support Costs	1,604	-	300	1,904	1,797	1	300	2,098	(194)	(10%)	(193)	(12%)
Premises & Equipment	10,106	-	100	10,206	10,770	5	100	10,875	(668)	(7%)	(663)	(7%)
Other Costs & Services	3,175	-	250	3,425	3,348	30	194	3,572	(148)	(4%)	(174)	(5%)
Ill Health Pension costs	2,184	-	-	2,184	2,172	-	-	2,172	12	1%	12	1%
Financing Items	5,897	-	-	5,897	5,534	-	-	5,534	364	6%	364	6%
Productivity improvement investment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Costs</b>	<b>22,967</b>	<b>-</b>	<b>650</b>	<b>23,617</b>	<b>23,621</b>	<b>36</b>	<b>594</b>	<b>24,251</b>	<b>(635)</b>	<b>(3%)</b>	<b>(654)</b>	<b>(3%)</b>
<b>Gross Operating Expenditure</b>	<b>83,578</b>	<b>-</b>	<b>1,976</b>	<b>85,554</b>	<b>87,116</b>	<b>43</b>	<b>2,045</b>	<b>89,204</b>	<b>(3,650)</b>	<b>(4%)</b>	<b>(3,538)</b>	<b>(4%)</b>
Operational income	(1,415)	-	-	(1,415)	(1,923)	(1)	-	(1,923)	508	(36%)	508	(36%)
<b>Net Expenditure</b>	<b>82,163</b>	<b>-</b>	<b>1,976</b>	<b>84,138</b>	<b>85,192</b>	<b>42</b>	<b>2,045</b>	<b>87,281</b>	<b>(3,142)</b>	<b>(4%)</b>	<b>(3,029)</b>	<b>(4%)</b>
<b>Funding</b>												
Government Grants Income	(7,549)	-	-	(7,549)	(9,149)	-	-	(9,149)	1,600	(21%)	1,600	(21%)
Revenue Support Grant	(8,780)	-	-	(8,780)	(8,780)	-	-	(8,780)	-	(0%)	0	(0%)
National Non-Domestic Rates	(16,519)	-	-	(16,519)	(15,926)	-	-	(15,926)	(593)	4%	(593)	4%
Council Tax Collection Account	-	-	-	-	(783)	-	-	(783)	783	-	783	-
Council Tax Precepts	(49,315)	-	-	(49,315)	(49,315)	-	-	(49,315)	-	(0%)	0	(0%)
Council Tax Collection Impact	-	-	-	-	(14)	-	-	(14)	14	-	14	-
Cont'ns to/(from) Earmarked Reserves	0	-	(1,976)	(1,976)	-	(43)	(2,046)	(2,089)	113	(6%)	0	0
<b>Total Funding</b>	<b>(82,162)</b>	<b>-</b>	<b>(1,976)</b>	<b>(84,139)</b>	<b>(83,966)</b>	<b>(43)</b>	<b>(2,046)</b>	<b>(86,056)</b>	<b>1,917</b>	<b>(2%)</b>	<b>1,803</b>	<b>(2%)</b>
<b>Funding Gap/ (Surplus)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>1,227</b>	<b>0</b>	<b>(1)</b>	<b>1,225</b>	<b>(1,225)</b>		<b>(1,226)</b>	