

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, Senior Finance Business Partner		
Presented By	Neil Cross - Chief Finance Officer		
Subject	Budget Review - June 2023		
Type of Report:	Information		

SUMMARY

This paper reports on expenditure against budget as at June 2023 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 June 2023

Executive Summary



Results for the period to June 2023

- The YTD position shows a surplus position of £283k, which is £114k worse than the expected Budget position. This is driven by ill health pension costs and employment costs.

Pay Explanations

The Gold book pay award went through Wholetime pay in May, this has bought the YTD position back in line with the 2% overspend relating to the pay award for 2022-23. Public Holiday Payments went through in June which offset with the vacancies of 13 FTE.

On Call had high Turnout costs in the month with a few shouts lasting multiple hours.

Support staff (Green Book) is showing an underspend driven largely by vacancies within the Protection team, which are being actively recruited into. There are also vacancies within the HR, Fleet and Station Group Management departments.

The Grey book pay award was confirmed for 2022-23 at 7% and a further award for 2023-24 at 5% will be implemented from July 2023. The Budget for 2023-24 had already been agreed and published before this decision had been made, therefore the Budget included in Grey book pay award for P1-P3 is set at 5%.

The Green book pay award for 2023-24 has not been confirmed and therefore the Budget does not currently include any pay award for this financial year.

Both Grey book and Green Book pay awards have been included in the projected Outturn position which is showing a cost pressure of £1.4m

Non Pay explanations

There are underspends showing in Premises and Equipment for property maintenance and utilities, this will be due to timing for seasonal trends.

Ill health pension costs were higher due to additional pressures and injury payments incurred.

- The month shows a Surplus position of £1.1m, which is £414k worse than the monthly Budget position. The Surplus position is due to a YTD amendment going through to recognise the Precept funding in line with accrual accounting methods.

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 increased from £17.9m to £18.5m 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 2023-24 is £6.0m.

Other

There were no property sales in the month.



Summary Income and Expenditure Statement to 30th June 2023

Period	Actual £'000s	Period Budget £'000s	Budget Vs Actuals £'000s	Variance %	YTD Actual £'000s	YTD Budget £'000s	Budget Vs Actuals £'000s	Variance %	Description	FY Budget	FY Forecast / Outturn	Budget Vs Outturn £'000s	Variance %
	3,220	3,043	(177)	(6%)	9,434	9,128	(306)	(3%)	WholeTime Firefighters	37,990	38,800	(810)	(2%)
	812	698	(115)	(16%)	2,227	2,052	(175)	(9%)	On-Call Firefighters	8,579	8,723	(144)	(2%)
	159	157	(3)	(2%)	453	470	17	4%	Control	1,957	2,295	(338)	(15%)
	1,384	1,405	21	2%	4,505	4,615	110	2%	Support Staff	18,270	18,376	(105)	(1%)
	5,575	5,302	(273)	(5%)	16,619	16,265	(355)	(2%)	Total Employment Costs	66,797	68,194	(1,397)	(2%)
	177	159	(19)	(12%)	429	465	36	8%	Support Costs	1,924	1,924	-	-
	1,111	968	(143)	(15%)	2,765	2,914	149	5%	Premises & Equipment	11,834	11,734	100	1%
	409	264	(145)	(55%)	903	824	(79)	(10%)	Other Costs & Services	3,294	3,294	-	-
	189	172	(17)	(10%)	833	639	(194)	(30%)	Ill health pension costs	2,184	2,284	(100)	(4%)
	450	466	17	4%	1,357	1,399	42	3%	Financing Items	5,597	5,597	-	-
	2,336	2,028	(307)	(15%)	6,287	6,241	(46)	(1%)	Total Other Costs	24,834	24,834	-	-
	7,911	7,330	(580)	(8%)	22,906	22,506	(401)	(2%)	Gross Expenditure	91,631	93,028	(1,397)	(2%)
	(253)	(134)	119	(89%)	(603)	(401)	203	(51%)	Operational Income	(1,602)	(1,922)	320	(17%)
	7,658	7,197	(461)	(6%)	22,303	22,105	(198)	(1%)	Net Expenditure before Funding	90,028	91,106	(1,078)	(1%)
	(685)	(695)	(10)	2%	(2,108)	(2,086)	22	(1%)	Government Grants	(8,343)	(8,343)	-	-
	(806)	(806)	(0)	0%	(2,417)	(2,418)	(0)	0%	Revenue Support Grant	(9,671)	(9,671)	-	-
	(1,414)	(1,282)	131	(10%)	(4,227)	(4,232)	(6)	0%	National Non-Domestic Rates	(17,137)	(17,137)	-	-
	(22)	(18)	4	(21%)	(52)	(48)	4	(8%)	NNDR (surplus)/deficit	-	(518)	518	(100%)
	43	0	(43)	-	(130)	0	130	-	Council Tax Collection Account	-	-	-	-
	(5,716)	(5,733)	(17)	0%	(13,300)	(13,317)	(17)	0%	Council Tax Precept	(53,267)	(53,225)	(42)	0%
	(8,598)	(8,534)	64	(1%)	(22,234)	(22,101)	133	(1%)	Total Funding	(88,418)	(88,894)	476	(1%)
	(940)	(1,338)	(397)	-	69	4	(65)	(1540%)	Funding Gap / (Surplus)	1,611	2,212	(602)	(27%)
	-	-	-	-	-	-	-	-	Cont'ns to/(from) General Bals	-	-	-	-
	(117)	(134)	(17)	13%	(352)	(401)	(49)	-	Cont'ns to/(from) Earmarked Reserves	(1,610)	(1,610)	-	-
	(117)	(134)	(17)	13%	(352)	(401)	(49)	-	Total Contribution to/(from) Reserves	(1,610)	(1,610)	-	-
	(1,057)	(1,471)	(414)	-	(283)	(397)	(114)	-	Net Gap / (Surplus)	1	602	(602)	-



YTD Summary Income and Expenditure Statement to 30th June 2023

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 %
8,864	9,038	174	WholeTime Firefighters	9,297	-	137	9,434	9,005	10	113	9,128	(306)	(3%)	(291)	(3%)
2,028	1,781	(247)	On-Call Firefighters	2,227	-	-	2,227	2,052	-	-	2,052	(175)	(9%)	(175)	(9%)
407	393	(13)	Control	453	-	-	453	470	-	-	470	17	4%	17	4%
4,103	4,335	232	Support Staff	4,485	21	-	4,505	4,598	17	-	4,615	110	2%	113	2%
15,401	15,547	146	Total Employment Costs	16,462	21	137	16,619	16,125	27	113	16,265	(355)	(2%)	(337)	(2%)
616	475	(141)	Support Costs	419	-	10	429	365	-	100	465	36	8%	(54)	(12%)
2,355	2,489	134	Premises & Equipment	2,662	3	101	2,765	2,777	-	138	2,914	149	5%	115	4%
795	845	51	Other Costs & Services	797	-	107	903	799	-	25	824	(79)	(10%)	2	0%
615	639	24	Ill health pension costs	833	-	-	833	639	-	-	639	(194)	(30%)	(194)	(30%)
1,433	1,474	42	Financing Items	1,357	-	-	1,357	1,399	-	-	1,399	42	3%	42	3%
5,814	5,923	109	Total Other Costs	6,067	3	218	6,287	5,979	-	263	6,241	(46)	(1%)	(88)	(1%)
21,215	21,470	255	Gross Expenditure	22,529	23	355	22,906	22,103	27	375	22,506	(401)	(2%)	(425)	(2%)
(459)	(354)	105	Operational Income	(603)	-	-	(603)	(401)	-	-	(401)	203	(51%)	203	(51%)
20,756	21,116	360	Net Expenditure before Funding	21,925	23	355	22,303	21,703	27	375	22,105	(198)	(1%)	(223)	(1%)
			Funding												
(1,785)	(1,887)	(103)	Government Grants	(2,108)	-	-	(2,108)	(2,086)	-	-	(2,086)	22	(1%)	22	(1%)
(3,974)	(3,991)	(17)	Revenue Support Grant	(2,417)	-	-	(2,417)	(2,418)	-	-	(2,418)	(0)	0%	(0)	0%
(4,076)	(4,076)	-	National Non-Domestic Rates	(4,227)	-	-	(4,227)	(4,232)	-	-	(4,232)	(6)	0%	(6)	0%
(4)	-	4	NNDR (surplus)/deficit	(52)	-	-	(52)	(48)	-	-	(48)	4	-	4	-
(180)	-	180	Council Tax Collection Account	(130)	-	-	(130)	-	-	-	-	130	-	130	-
(11,284)	(11,284)	0	Council Tax Precept	(13,300)	-	-	(13,300)	(13,317)	-	-	(13,317)	(17)	0%	(17)	0%
(21,302)	(21,238)	64	Total Funding	(22,234)	-	-	(22,234)	(22,101)	-	-	(22,101)	133	(1%)	133	(1%)
(546)	(122)	424	Funding Gap / (Surplus)	(309)	23	355	69	(398)	27	375	4	(65)	(1540%)	(89)	(2124%)
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(700)	(714)	(15)	Cont'ns to/(from) Earmarked Reserves	26	(23)	(355)	(352)	-	(27)	(374)	(401)	(49)	-	(26)	6%
(700)	(714)	(15)	Total Contribution to/(from) Reserves	26	(23)	(355)	(352)	-	(27)	(374)	(401)	(49)	-	(26)	6%
(1,246)	(837)	409	Net Gap / (Surplus)	(283)	-	-	(283)	(398)	-	1	(397)	(114)	-	(115)	-

Period Summary Income and Expenditure Statement to 30th June 2023



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 %
2,946	3,013		67 Wholetime Firefighters	3,252	2	(34)	3,220	3,002	3	38	3,043	(177)	(6%)	(250)	(8%)
681	594	(87)	(87) On-Call Firefighters	812	-	-	812	698	-	-	698	(115)	(16%)	(115)	(16%)
133	131	(2)	(2) Control	159	-	-	159	157	-	-	157	(3)	(2%)	(3)	(2%)
1,237	1,343		106 Support Staff	1,376	8		1,384	1,399	6	-	1,405	21	2%	23	2%
			Inter Department Cross Charges												
4,998	5,081		84 Total Employment Costs	5,599	9	(34)	5,575	5,255	9	38	5,302	(273)	(5%)	(344)	(6%)
170	158	(12)	(12) Support Costs	177	-	-	177	125	-	33	159	(19)	(12%)	(52)	(33%)
865	830	(35)	(35) Premises & Equipment	1,042	-	69	1,111	922	-	46	968	(143)	(15%)	(120)	(12%)
306	280	(26)	(26) Other Costs & Services	334	-	74	409	255	-	8	264	(145)	(55%)	(79)	(30%)
171	172		1 Ill health pension costs	189	-	-	189	172	-	-	172	(17)	(10%)	(17)	(10%)
482	491		9 Financing Items	450	-	-	450	466	-	-	466	17	4%	17	4%
1,994	1,931	(63)	(63) Total Other Costs	2,192	-	143	2,336	1,941	-	88	2,028	(307)	(15%)	(252)	(12%)
6,992	7,012		21 Gross Expenditure	7,792	9	109	7,911	7,196	9	125	7,330	(580)	(8%)	(596)	(8%)
(187)	(118)		69 Operational income	(253)	-	-	(253)	(134)	-	-	(134)	119	(89%)	119	(89%)
6,805	6,894		90 Net Expenditure	7,539	9	109	7,658	7,063	9	125	7,197	(461)	(6%)	(477)	(7%)
			Funding												
(575)	(629)	(54)	(54) Government Grants	(685)	-	-	(685)	(695)	-	-	(695)	(10)	2%	(10)	2%
(532)	(532)		- Revenue Support Grant	(806)	-	-	(806)	(806)	-	-	(806)	(0)	0%	(0)	0%
(1,405)	(1,405)		- National Non-Domestic Rates	(1,414)	-	-	(1,414)	(1,282)	-	-	(1,282)	131	(10%)	131	(10%)
(1)	-		1 NNDR (surplus)/deficit	(22)	-	-	(22)	(18)	-	-	(18)	4		4	
(69)	-		69 Council Tax Collection Account	43	-	-	43	-	-	-	-	(43)		(43)	
(4,238)	(4,238)		- Council Tax Precept	(5,716)	-	-	(5,716)	(5,733)	-	-	(5,733)	(17)	0%	(17)	0%
(6,820)	(6,804)		16 Total Funding	(8,598)	-	-	(8,598)	(8,534)	-	-	(8,534)	64	(1%)	64	(1%)
(15)	91		106 Funding Gap / (Surplus)	(1,059)	9	109	(940)	(1,472)	9	125	(1,338)	(397)		(413)	
-	-		- Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-	-	-
(133)	(137)	(4)	(4) Cont'ns to/(from) Earmarked Reserves	-	(8)	(109)	(117)	-	(9)	(125)	(134)	(17)	13%	-	-
(133)	(137)	(4)	(4) Total Contribution to/(from) Reserves	-	(8)	(109)	(117)	-	(9)	(125)	(134)	(17)	13%	-	-
(148)	(46)		102 Net Gap / (Surplus)	(1,059)	2	-	(1,057)	(1,472)	-	0	(1,471)	(414)		(413)	

Operational Income



Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(6,425)	(8,750)	(2,325)	27%	(35,001)	
Childcare Vouchers	(3,689)	(7,500)	(3,811)	51%	(30,000)	
Sales of Vehicles	(8,580)	0	8,580	0%	0	
Canteen Income	(27,901)	(19,500)	8,401	(43%)	(78,000)	
Sale of Vehicle Spares	(22,549)	(22,500)	49	(0%)	(90,000)	
Aerial Sites	(33,750)	(28,750)	5,000	(17%)	(114,999)	
Solar Panel Income	(6,040)	(15,000)	(8,960)	60%	(60,000)	
Hydrant Tests	(10,792)	(22,500)	(11,708)	52%	(90,000)	
Lease Cars - Employee Contributions	(1,522)	(1,500)	22	(1%)	(6,000)	
General Sales	(7,034)	0	7,034	0%	0	
Service Charges	(105)	(113)	(8)	7%	(452)	
Secondments	(110,722)	(45,751)	64,971	(142%)	(183,003)	
Community Safety General	(19,581)	(19,581)	0	0%	(78,324)	
Labour Credit	(13,199)	(22,500)	(9,301)	41%	(90,000)	
Section 13/16	(17,709)	(15,000)	2,709	(18%)	(60,000)	
Provision of Hire Vehicles & Equipment	(2,090)	0	2,090	0%	0	
Interest Received Short Term Investments	(178,356)	(37,500)	140,856	(376%)	(150,000)	
Events Income	(1,318)	(28,775)	(27,458)	95%	(115,101)	
Community Safety Youth Work	(5,670)	0	5,670	0%	0	
Shared Services Income	(63,908)	(62,502)	1,406	(2%)	(250,008)	
Other Miscellaneous Income	(62,396)	(42,866)	19,530	(46%)	(171,463)	
Total Operational Income	(603,335)	(400,588)	202,747	(51%)	(1,602,351)	

Specific Government Grants Income

Specific Government Grants	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Specific Government Grants						
Addn Pens Grant Accr	(879,136)	(879,136)	(0)	0%	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution £102k higher from prior year release
DCLG BRR 2022-23	(725,022)	(725,022)	(0)	0%	(2,900,088)	Business Rate relief reclassified as part of Section 31 grant from funding, additional leisure and hospitality relief
USAR Grant 2022-23	(214,357)	(214,140)	217	(0%)	(856,560)	
Firelink Grant 2022-23	(91,682)	(95,113)	(3,432)	4%	(380,453)	Communications Network (Firelink) grant and New Risk Mosaic programme funding.
Services Grant (One off investments) 2022-23	(159,999)	(160,000)	(1)	0%	(640,000)	Grant of circa £688k to fund one off investments, the funding is being released as costs are incurred.
Protection Uplift Grant release	(37,928)	(12,351)	25,577	(207%)	(49,404)	PU Grant (Grenfell Grant) released against ringfenced spend, Budget based only on expected staff cost.
MTA	0	0	0	0%	0	MTA is part of new dimensions S31 grant and will be released against costs
Other Grant Income	0	0	0		0	Home Office grant in relation to internal Audit costs (Redmond review grant offset monthly against audit fees).
Subtotal-Govt Grants	(2,108,124)	(2,085,762)	22,362	1%	(8,343,049)	

Balance Sheet - 30th June 2023



	30th June 2023	31st May 2023	31st Mar 2023	Variance Month £000's	Variance YTD £000's
	£000's	£000's	£000's		
Property, plant & equipment					
Land and buildings	129,586	129,586	129,586	-	-
* Vehicles, plant & equipment	10,602	10,602	10,602	-	-
Assets under construction	3,116	2,396	1,599	720	1,517
Long term assets	143,304	142,584	141,787	720	1,517
Inventories	452	433	445	20	7
Short term debtors	14,975	11,153	13,068	3,822	1,907
Cash and cash equivalents	18,543	17,912	18,602	630	(59)
Assets held for sale	-	-	350	-	(350)
Current assets	33,970	29,498	32,465	4,472	1,505
* Short term borrowings	-	-	(249)	-	249
Short term creditors	(8,434)	(8,243)	(11,447)	(190)	3,014
Grants received in advance	(6,607)	(2,898)	(1,303)	(3,709)	(5,304)
Current liabilities	(15,040)	(11,141)	(13,001)	(3,899)	(2,040)
Long term borrowing	(23,500)	(23,500)	(23,500)	-	-
Provisions	(786)	(786)	(786)	-	-
* Pension liability - LGPS	9,887	9,887	9,887	-	-
Pension liability - FPS	(580,729)	(580,729)	(580,729)	-	-
Long term liabilities	(595,128)	(595,128)	(595,128)	-	-
NET LIABILITIES	(432,894)	(434,188)	(433,876)	1,293	981
Usable reserves					
General fund	4,165	3,105	3,882	1,060	283
Earmarked general fund reserves	6,750	6,867	7,102	(117)	(352)
Capital receipts reserve	16,091	16,091	15,741	-	350
Usable reserves	27,006	26,063	26,725	943	281
Unusable reserves					
Revaluation reserve	43,644	43,644	43,840	-	(196)
Capital adjustment account	67,094	66,744	66,198	350	896
* Holiday pay account	(1,353)	(1,353)	(1,353)	-	-
* Collection fund adjustment account	1,557	1,557	1,557	-	-
Pension reserve	(570,842)	(570,842)	(570,842)	-	-
Unusable reserves	(459,901)	(460,251)	(460,601)	350	700
TOTAL RESERVES	(432,894)	(434,188)	(433,876)	1,293	981

* Balances adjusted at year end only.

Key Movements

Fixed Assets:

- Increase in Assets under construction of £720k in the month, for further detail, see the Capital Expenditure report.

- There is a reclassification from prepayments in April due to year end entries relating to the Control Project, increasing the YTD variance.

Current Assets:

- Increase in short term debtors predominantly due the prepayment of July's pension payroll (£1.9m) and accrued precept income (£1.1m). This was a result of a YTD adjustment to recognise precepts evenly across the year.

- £0.6m increase in cash and cash equivalents, as seen in the cashflow on page 8.

Current Liabilities

- No short term borrowings, as the next loan payment is due in 2025.

- Short term creditors have increased by £0.2m due to movements in working capital.

- Grants received in advance have increased by £3.7m due to grants released to income in the month.

Long-term Liabilities:

- No movement in long-term liabilities in the month.

Reserves:

Movements in Usable Reserves:

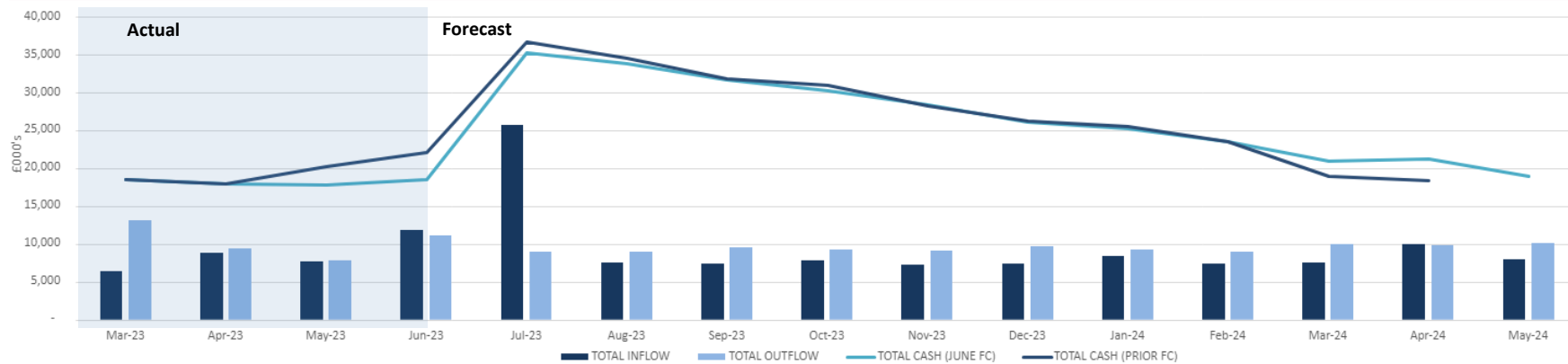
- The movements in General and Earmarked Reserves tie back to the summary Income & Expenditure statement on page 3.

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



COMMENTARY

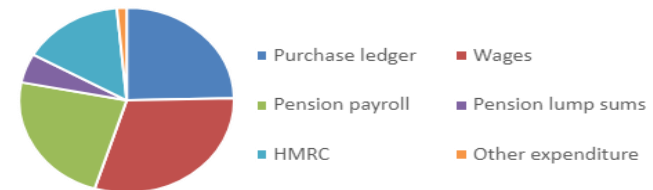
Total cash and investments at the end of June was £18.5m, up from £17.9m in May. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of £5.2m and grants of £5.9m. Significant grant income included the Fire Pensions Grant of £3.5m.
- Cash outflows include purchase ledger payments of £2.3m, which is within the expected range. There were two pension payroll payments in June, as forecast in last month's cashflow report.
- The Authority holds investments of £15m, up from £13m last month, including £8m of fixed term investments in UK government gilts and bank deposits. The remaining investments are in money market funds and a Lloyds call account to maintain liquidity.
- The Service complied with the Treasury Management Strategy this month.
- The forecast cash balance for July is around £2m more than the previous forecast, as the grant funding the Firefighters Pension (paid in July) is estimated to be £18.4m rather than £16.5m. This is because the year end debtor arising from the deficit on the Firefighter's Pension Fund was higher than expected, which is reimbursed through the payment of the grant.
- An additional £2m was invested in July, following a review of the management of day to day cashflow to maximise return on investments, while maintaining an operational cashflow balance.

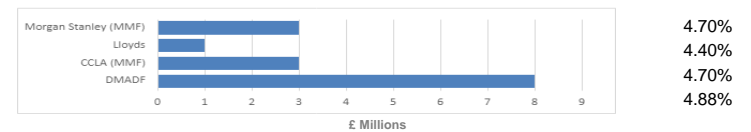
TREASURY MANAGEMENT INDICATORS

	<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	£19m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.41%	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	0%	
24 months and within 5 years	9%	
5 years and within 10 years	64%	
10 years and within 15 years	28%	
15 years and above	0%	

EXPENDITURE ANALYSIS



INVESTMENTS



Essex County Fire & Rescue Service - Capital Expenditure as at 31st May 2023



Capital	Budget 2023/24 £'000	Previous Forecast £'000	Adjustment to Forecast £'000	Current Forecast £'000	Actual Spend £'000
New Premises					
Service Workshops - New	500	500	-	500	-
Existing Premises					
Asset Protection	1,150	1,150	-	1,150	-
Asset Improvement Works Training Facilities Improvement	774	814	504	1,318	162
Wethersfield replacement	500	500	(500)	-	-
Asset Improvement Works - Shoeburyness	-	330	(164)	166	153
Total Property	2,924	3,294	(160)	3,134	315
Equipment	939	1,374	(30)	1,344	205
Information Technology					
Projects	1,413	2,072	-	2,072	191
Total Information Technology	1,413	2,072	-	2,072	191
Vehicles					
New Appliances	-	5	-	5	-
Other Vehicles	720	1,461	(100)	1,361	331
Total Vehicles	720	1,466	(100)	1,366	331
Total Capital Expenditure	5,996	8,206	(290)	7,916	1,042

Essex County Fire & Rescue Service - Capital Expenditure as at 30th June 2023



* To be agreed at asset board

** Provision for limited capacity limiting spend to agreed level of £1.7m

	Asset Life	Budget 2023/24 £	Forecast - Prior	Adjustment to Forecast £	Current Forecast 2023/24 £	Actual Spend £	Spend Brought Forward £
B113 - Vehicles							
Appliances (Pumping)	15	-	4,834	-	4,834	-	228,606
Off Road Vehicles	6	120,000	-	-	-	-	-
Officers Cars (Principal Officers)	3	80,000	40,000	-	40,000	-	-
Specialist rescue vehicle	6	100,000	100,000	(100,000)	-	-	-
Light Vans	6	160,000	435,000	-	435,000	-	-
Hose layer Replacement	12	260,000	-	-	-	-	-
Provided Cars	6	-	886,100	-	886,100	330,946	-
Total B113 - Vehicles		720,000	1,465,934	(100,000)	1,365,934	330,946	228,606
B116 - Operational Equipment							
Fitness equipment	8	19,000	156,000	-	156,000	65,978	-
Hose Reel Branch/Main Line Branch	10	-	132,548	-	132,548	132,548	-
Defibrillators	8	120,000	-	-	-	-	-
Thermal Imaging Cameras - training	10	-	45,000	-	45,000	-	-
Thermal Imaging Cameras	10	650,000	650,000	-	650,000	-	-
Air mats	8	150,000	-	-	-	-	-
BA Contamination Machine	8	-	80,000	(30,000)	50,000	-	-
Heatwave Costs:							
Ice makers and water kegs	10	-	14,500	-	14,500	6,502	-
Hoses	10	-	158,760	-	158,760	-	-
Fog spikes	10	-	70,000	-	70,000	-	-
Radios and repeaters	10	-	67,000	-	67,000	-	-
Total B116 - Operational Equipment		939,000	1,373,808	(30,000)	1,343,808	205,028	-
B114 - ICT Equipment							
<i>Digital & Data Strategy</i>							
DEVICES	3	225,000	391,000	-	391,000	184,732	-
NETWORK	3	-	236,000	-	236,000	6,545	56,195
<i>Other Projects</i>							
Station End Equipment	3	450,000	-	-	-	-	-
Control Project	7	738,450	1,445,030	-	1,445,030	-	475,037
Station Laptops	3	-	-	-	-	-	-
Total B114 - ICT Equipment		1,413,450	2,072,030	-	2,072,030	191,277	531,231

Essex County Fire & Rescue Service - Capital Expenditure as at 30th June 2023



* To be agreed at asset board

	Asset Life £	Budget 2023/24 £	Forecast - Prior	Adjustment to Forecast £	Current Forecast 2023/24 £	Actual Spend £	Spend Brought Forward £
B112 - Land & Building							
Lexden Workshops Relocation	20	500,000	500,000	-	500,000	-	-
Total B112 - Land & Building		500,000	500,000	-	500,000	-	-
B117 - Asset Improvements							
Asset Improvement Works - Shoeburyness	20	-	330,000	(164,095)	165,905	153,474	1,314,061
Wethersfield Replacement	20	500,000	500,000	-	500,000	-	-
Asset Protection Works - Training Facilities:							
Phase 3 - Harlow, Safron Waldon and Clacton	20	502,000	502,000	-	502,000	-	-
Phase 3 (E) - Clacton	20	232,000	232,000	-	232,000	151,610	-
Consultancy Support	20	40,000	80,000	-	80,000	5,560	-
Prior year retentions and small works	20	-	-	4,368	4,368	4,368	-
Total B117 - Asset Improvement		1,274,000	1,644,000	(159,727)	1,484,273	315,013	1,314,061
B118 - Asset Protection							
Confirmed Projects for 2023/24							
Basildon boilers/controls	20	140,000	140,000	-	140,000	-	-
Grays heater/controls	20	80,000	120,000	-	120,000	-	-
Braintree refurb	20	50,000	-	-	-	-	-
Southend SDP boilers/heater	20	60,000	60,000	-	60,000	-	-
Ocat	20	150,000	150,000	-	150,000	-	-
SWF windows	20	150,000	150,000	-	150,000	-	-
AB Floors - Stansted	20	60,000	60,000	-	60,000	-	-
EV Charging Points - KP	20	-	-	30,000	30,000	-	-
Wholetime Station Modernisation							
Orsett Station and FRA	20	600,000	600,000	-	600,000	-	-
Provision for limited capacity	20	(140,000)	(130,000)	(30,000)	(160,000)	-	-
B118 - Asset Protection		1,150,000	1,150,000	-	1,150,000	-	-
TOTAL FORECAST 2023-24		5,996,450	8,205,772	(289,727)	7,916,045	1,042,264	2,073,898



BENEFITS AND RISK/ FINANCIAL IMPLICATIONS

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

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

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

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

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

EQUALITY AND DIVERSITY IMPLICATIONS

There are no direct Equality or Diversity implications within this report

LEGAL IMPLICATIONS

There are no direct legal implications within this report.

HEALTH & SAFETY IMPLICATIONS

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

ACTIONS / NEXT STEPS

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of background documents – including appendices, hardcopy or electronic including any relevant link/s.	
Appendices: Internal and External Audit Recommendations Outturn movement from Budget Movement of YTD projected position to 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 Overdue
			High	Medium	High	Medium	High	Medium	High	Medium	
22/23	22/23 Efficiency and Cost Saving	Chief Finance Officer	-	1	-	-	-	1	-	-	1 Months
22/23	22/23 FM Code and Overtime	Chief Finance Officer	1	1	1	1	-	-	-	-	2 Months
22/23	22/23 Cyber Essentials	Director of Corporate Services	1	3	-	-	1	3	-	-	4 Months
22/23	22/23 Follow-Up	Various	-	6	-	2	-	4	-	3	7 Months
22/23	22/23 Emergency Response Driving	Director of People Services	-	3	-	1	-	2	-	2	11 Months
21/22	21/22 Follow up	Chief Finance Officer	-	2	-	1	-	1	-	1	14 Months
THIS UPDATE			2	16	1	5	1	11	-	6	
			18		6		12		6		
			Percentage complete			33%		Percentage overdue			50%
LAST UPDATE			2	15	-	5	2	11	-	5	
			17		5		13		5		
			Percentage complete			29%		Percentage overdue			38%

External Audit Update

The external auditors have indicated that the audit will start in October. The Finance Team have completed comprehensive audit deliverable, which are being populated on the auditor's portal.

Internal Audit Update

The final audit of the 2022/23 audit plan completed in the month, Efficiency Savings, achieving reasonable assurance. The overall audit report for 2022/23 was positive assurance and this has been reported in the final unaudited financial statements.

The first audit for 2023/24 is a review of the Collective Productivity of Wholetime Stations - this audit started in June but was delayed to Q4 to allow for reporting to the Home Office to develop. The review of Actions Post Grenfell and Manchester Arena audit will commence in July. This was followed by the review of the Finance System Implementation, which was due to start in August - the start date is being reviewed due to implementation timelines.

One action was closed this month and there are six overdue recommendations. Action owners have been reminded to progress their recommendations, and further meetings have been arranged with key stakeholders.

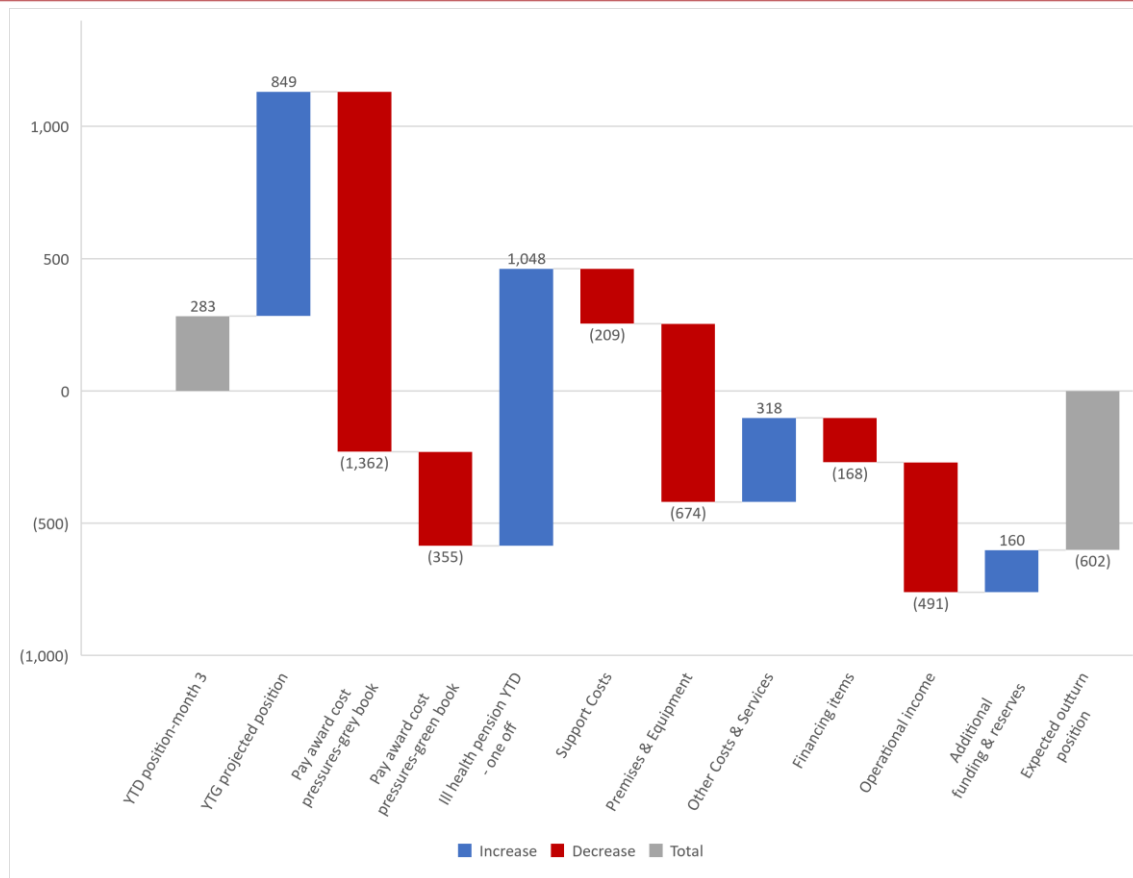
Outturn movement from Full Year Budget including Reserves



Description	2023-24 FY Budget £'000	YTD Actuals	2023-24 Expected FY Outturn position £'000	Movement from Budget to Outturn £'000	Variance of movement %	Expected monthly position based on Actual trends	Outturn position based on Actual trends	Variance of movement to projected outturn	Variance of movement to projected outturn %
Wholetime Firefighters	37,990	9,434	38,800	(810)	(2%)	3,145	37,734	1,066	3%
On-Call Firefighters	8,579	2,227	8,723	(144)	(2%)	742	8,909	(185)	(2%)
Control	1,957	453	2,295	(338)	(17%)	151	1,813	482	21%
Support Staff	18,270	4,505	18,376	(105)	(1%)	1,502	18,021	355	2%
Total Employment Costs	66,797	16,619	68,194	(1,397)	(2%)	5,540	66,477	1,718	3%
Other Service Expenditure									
Support Costs	1,924	429	1,924	-	-	143	1,715	209	11%
Premises & Equipment	11,834	2,765	11,734	100	1%	922	11,061	674	6%
Other Costs & Services	3,294	903	3,294	-	-	301	3,612	(318)	(10%)
Ill Health Pension costs	2,184	833	2,284	(100)	(5%)	278	3,332	(1,048)	(46%)
Financing Items	5,597	1,357	5,597	-	-	452	5,429	168	3%
Total Other Costs	24,834	6,287	24,834	-	-	2,096	25,149	(315)	(1%)
Gross Operating Expenditure	91,631	22,906	93,028	(1,397)	(2%)	7,635	91,626	1,402	2%
Operational income	(1,602)	(603)	(1,922)	320	(20%)	(201)	(2,413)	491	(26%)
Net Expenditure	90,029	22,303	91,106	(1,077)	(1%)	7,434	89,213	1,894	2%
Funding									
Government Grants Income	(8,343)	(2,108)	(8,343)	-	-	(703)	(8,432)	89	(1%)
Revenue Support Grant	(9,671)	(2,417)	(9,671)	-	-	(806)	(9,670)	(1)	0%
National Non-Domestic Rates	(17,137)	(4,227)	(17,137)	-	-	(1,409)	(16,907)	(230)	1%
Council Tax Collection Account	-	(130)	(518)	518	-	(43)	(518)	-	-
Council Tax Precepts	(53,267)	(13,300)	(53,225)	(42)	-	(4,433)	(53,201)	(24)	0%
Council Tax Collection Impact	-	(52)	-	-	-	(17)	(208)	208	-
Cont'ns to/(from) Earmarked Reserves	(1,610)	(352)	(1,610)	-	-	(117)	(1,408)	(202)	13%
Total Funding	(90,028)	(22,586)	(90,504)	476	(1%)	(7,529)	(90,344)	(160)	0%
Funding Gap/ (Surplus)	1	(283)	602	(601)	-	(94)	(1,132)	1,734	288%



Movement from YTD projected position to expected Outturn



Key comments on movements

The projected position has been calculated based on the YTD actuals, there are a few one off costs which will need to be excluded from this waterfall along with any pay award costs that haven't been captured to date.

Additional agreed pay pressure for 2023-24 agreed for Grey book to be included from July

Additional pay pressure for 2023-24 agreed for Green book to be included once agreed.

Ill health costs are one off costs which came through at the start of the financial year but won't be re-occurring on a monthly basis at this amount.

Premises & Equipment costs are lower due to timing of costs coming through, there will be savings from lower utilities costs and savings in the cleaning tender.

Operational income is likely to be higher based on higher interest rates from the short term investments, there is still uncertainty around interest rates projections.

Financing items includes costs for the training facilities which haven't come through yet, this is offset by Earmarked Reserves and are included in the EMR strategy paper.

Movement from Budgeted position to Outturn

