

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 Manager		
Presented By	Neil Cross - Chief Finance Officer		
Subject	Budget Review - August 2023		
Type of Report:	Information		

SUMMARY

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

Executive Summary



Results for the period to August 2023

YTD position:

Showing a deficit position of £142k, which is £613k worse than the expected Budget position. The overspend on employment costs has been partially offset by additional unbudgeted operational income and funding.

Pay Explanations

The Grey Book pay award for the current financial year (2023-24) was processed in the month 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 £1.5m

The Gold Book pay award for 2022-23 went through Wholetime pay in May, in addition to this Public Holiday Payments went through in June. The YTD overspend is driven by higher overtime costs of £212k, of which £166k relates to ASW activity to cover vacancies across stations.

On Call activity costs always relate to the prior months activity. July had high Turnout costs for the month, with shouts lasting multiple hours, this was also the case for August as On Call turnout costs were £90k higher than Budget. In particular, there were two large field fires where over six crews were in attendance.

Support staff (Green Book) is showing an overspend driven largely by August figures which had higher agency temp costs to cover under establishment in the service.

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 Position:

Shows a deficit position of £205k, which is £307k worse than the monthly Budget position, this is due to:

A £112k overspend in the On Call costs in the month (£90k relating to higher Turnover costs).

Cross border charges to ECFRS were £69k higher than Budget this was due to a catch up of costs in line with data issues and a further £46k of consultancy work in the month.

An additional £149k of income from interest on investments.

Balance Sheet Statement and Cashflow Forecast

The Balance Sheet report on page 7 shows the key monthly rather than year to date movements. There has been a significant swing in short term debtors due to an increase in receivable VAT and a £2.2m decrease in cash and cash equivalents, a further £2m movement can be seen in Grants received in advance due to the movement on Pension Fund.

Cash and cash equivalents decreased from £36.5m to £34.4m in the month, mainly due to significant cash outflows for retirement payments.

The Authority holds investments of £30.5m, up from £30m last month, including £23.5m of fixed term investments in UK government gilts, these investments have provided additional interest income for the Service, alongside rising interest rates.

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 forecast for 2023-24 is £6.5m.

The forecast expenditure for the year has been reduced by £149k relating to spend on provided cars, continuous engagement

Other

There were no property sales in the month.

Budget templates have been completed and submitted by Budget Holders for a consolidated initial draft of the 2024-25 Budgets.



Summary Income and Expenditure Statement to 31st August 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 %
3,223	3,206	(16)	(1%)	15,887	15,540	(347)	(2%)	WholeTime Firefighters	37,991	38,633	(642)	(2%)
843	731	(112)	(15%)	3,927	3,498	(429)	(12%)	On-Call Firefighters	8,579	9,333	(754)	(8%)
146	165	19	12%	749	801	51	6%	Control	1,957	1,989	(32)	(2%)
1,487	1,405	(82)	(6%)	7,449	7,425	(24)	(0%)	Support Staff	18,270	18,350	(79)	(0%)
5,699	5,508	(191)	(3%)	28,013	27,264	(749)	(3%)	Total Employment Costs	66,797	68,304	(1,507)	(2%)
241	159	(83)	(52%)	859	787	(72)	(9%)	Support Costs	1,924	2,162	(237)	(11%)
1,015	966	(49)	(5%)	4,775	4,978	203	4%	Premises & Equipment	11,834	11,561	274	2%
426	264	(162)	(61%)	1,688	1,383	(305)	(22%)	Other Costs & Services	3,294	3,474	(180)	(5%)
187	172	(15)	(9%)	1,207	982	(224)	(23%)	Ill health pension costs	2,184	2,527	(343)	(14%)
461	466	5	1%	2,276	2,332	56	2%	Financing Items	5,597	5,556	41	1%
2,331	2,026	(304)	(15%)	10,805	10,463	(342)	(3%)	Total Other Costs	24,834	25,279	(445)	(2%)
8,029	7,534	(495)	(7%)	38,818	37,727	(1,091)	(3%)	Gross Expenditure	91,631	93,584	(1,953)	(2%)
(302)	(134)	169	(126%)	(1,078)	(668)	410	(61%)	Operational Income	(1,602)	(2,264)	662	(29%)
7,727	7,401	(326)	(4%)	37,740	37,059	(681)	(2%)	Net Expenditure before Funding	90,029	91,319	(1,291)	(1%)
								Funding				
(715)	(695)	20	(3%)	(3,533)	(3,476)	56	(2%)	Government Grants	(8,343)	(9,023)	680	(8%)
(806)	(806)	(0)	0%	(4,029)	(4,029)	(0)	0%	Revenue Support Grant	(9,671)	(9,666)	(5)	0%
(1,409)	(1,411)	(2)	0%	(7,044)	(7,076)	(32)	0%	National Non-Domestic Rates	(17,137)	(16,924)	(213)	1%
(17)	(18)	(0)	3%	(87)	(84)	3	(3%)	NNDR (surplus)/deficit	-	(204)	204	0%
(43)	0	43	-	(216)	0	216	-	Council Tax Collection Account	-	(500)	500	(100%)
(4,433)	(4,439)	(6)	0%	(22,167)	(22,195)	(28)	0%	Council Tax Precept	(53,267)	(53,196)	(71)	0%
(7,423)	(7,369)	55	(1%)	(37,076)	(36,861)	215	(1%)	Total Funding	(88,418)	(89,512)	1,095	(1%)
304	32	(272)		664	199	(465)	(234%)	Funding Gap / (Surplus)	1,611	1,807	(196)	(11%)
-	-	-	-	-	-	-	-	- Cont'ns to/(from) General Bals	-	5	(5)	(100%)
(99)	(134)	(35)	26%	(521)	(669)	(147)	-	- Cont'ns to/(from) Earmarked Reserves	(1,610)	(1,610)	-	-
(99)	(134)	(35)	26%	(521)	(669)	(147)		Total Contribution to/(from) Reserves	(1,610)	(1,605)	(5)	
205	(102)	(307)		142	(470)	(613)		Net Gap / (Surplus)	1	201	(201)	

YTD Summary Income and Expenditure Statement to 31st August 2023



Prior Year YTD Actuals £'000s	Prior year YTD Budget £'000s	Prior Year Variance (Actuals Vs Budget)	Description	Core YTD Actual £'000s	Earmarked Projects £'000s	YTD Actual £'000s	Core YTD Budget £'000s	Earmarked Projects £'000s	YTD Budget £'000s	Budget Vs Actuals £'000s	Variance %	Core Budget Vs Core Actuals £'000s	Variance %
14,755	15,070	315	WholeTime Firefighters	15,702	185	15,887	15,336	204	15,540	(347)	(2%)	(366)	(2%)
3,722	2,968	(753)	On-Call Firefighters	3,927	-	3,927	3,498	-	3,498	(429)	(12%)	(429)	(12%)
690	658	(32)	Control	749	-	749	801	-	801	51	6%	51	6%
6,688	7,066	378	Support Staff	7,408	41	7,449	7,396	29	7,425	(24)	(0%)	(12)	(0%)
25,854	25,762	(92)	Total Employment Costs	27,786	227	28,013	27,031	231	27,264	(749)	(3%)	(755)	(3%)
910	792	(118)	Support Costs	847	11	859	620	167	787	(72)	(9%)	(228)	(29%)
4,247	4,149	(98)	Premises & Equipment	4,616	160	4,775	4,749	229	4,978	203	4%	133	3%
1,448	1,426	(23)	Other Costs & Services	1,565	123	1,688	1,342	42	1,383	(305)	(22%)	(223)	(16%)
956	982	26	Ill health pension costs	1,207	-	1,207	982	-	982	(224)	(23%)	(224)	(23%)
2,376	2,457	81	Financing Items	2,276	-	2,276	2,332	-	2,332	56	2%	56	2%
9,937	9,806	(131)	Total Other Costs	10,511	294	10,805	10,025	438	10,463	(342)	(3%)	(486)	(5%)
35,792	35,568	(223)	Gross Expenditure	38,297	521	38,818	37,056	669	37,727	(1,091)	(3%)	(1,241)	(3%)
(674)	(590)	84	Operational Income	(1,078)	-	(1,078)	(668)	-	(668)	410	(61%)	410	(61%)
35,118	34,979	(139)	Net Expenditure before Funding	37,219	521	37,740	36,388	669	37,059	(681)	(2%)	(831)	(2%)
			Funding										
(3,107)	(3,145)	(38)	Government Grants	(3,533)	-	(3,533)	(3,476)	-	(3,476)	56	(2%)	56	(2%)
(5,038)	(5,055)	(17)	Revenue Support Grant	(4,029)	-	(4,029)	(4,029)	-	(4,029)	(0)	0%	(0)	0%
(6,786)	(6,786)	-	National Non-Domestic Rates	(7,044)	-	(7,044)	(7,076)	-	(7,076)	(32)	0%	(32)	0%
(9)	-	9	NNDR (surplus)/deficit	(87)	-	(87)	(84)	-	(84)	3	-	3	-
(318)	-	318	Council Tax Collection Account	(216)	-	(216)	-	-	-	216	-	216	-
(19,759)	(19,759)	0	Council Tax Precept	(22,167)	-	(22,167)	(22,195)	-	(22,195)	(28)	0%	(28)	0%
(35,017)	(34,745)	272	Total Funding	(37,076)	-	(37,076)	(36,861)	-	(36,861)	215	(1%)	215	(1%)
101	233	133	Funding Gap / (Surplus)	143	521	664	(472)	669	199	(465)	(234%)	(616)	(310%)
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-
(1,010)	(990)	20	Cont'ns to/(from) Earmarked Reserves	(0)	(521)	(521)	-	(669)	(669)	(147)	-	0	(0%)
(1,010)	(990)	20	Total Contribution to/(from) Reserves	(0)	(521)	(521)	-	(669)	(669)	(147)	-	0	(0%)
(909)	(757)	153	Net Gap / (Surplus)	143	(1)	142	(472)	0	(470)	(613)	-	(616)	-

Period Summary Income and Expenditure Statement to 31st August 2023



Prior Year Period Actuals £'000s	Prior year Period Budget £'000s	Prior Year Variance (Actuals Vs Budget)	Description	Core Period Actual £'000s	Earmarked Projects £'000s	Period Actual £'000s	Core Budget £'000s	Earmarked Projects £'000s	Period Budget £'000s	Budget Vs Actuals £'000s	Variance %	Core Budget Vs Core Actuals £'000s	Variance %
2,912	2,996	84	Wholetime Firefighters	3,186	37	3,223	3,166	41	3,206	(16)	(1%)	(20)	(1%)
934	594	(341)	On-Call Firefighters	843	-	843	731	-	731	(112)	(15%)	(112)	(15%)
148	134	(14)	Control	146	-	146	165	-	165	19	12%	19	12%
1,302	1,380	79	Support Staff	1,450	37	1,487	1,399	6	1,405	(82)	(6%)	(51)	(4%)
5,296	5,103	(192)	Total Employment Costs	5,625	74	5,699	5,461	47	5,508	(191)	(3%)	(163)	(3%)
130	158	28	Support Costs	241	0	241	125	33	159	(83)	(52%)	(116)	(73%)
1,012	830	(182)	Premises & Equipment	991	25	1,015	920	46	966	(49)	(5%)	(71)	(7%)
345	289	(57)	Other Costs & Services	426	-	426	255	8	264	(162)	(61%)	(170)	(65%)
170	172	2	Ill health pension costs	187	-	187	172	-	172	(15)	(9%)	(15)	(9%)
477	491	15	Financing Items	461	-	461	466	-	466	5	1%	5	1%
2,134	1,940	(194)	Total Other Costs	2,306	25	2,331	1,939	88	2,026	(304)	(15%)	(367)	(18%)
7,430	7,043	(386)	Gross Expenditure	7,931	99	8,029	7,400	134	7,534	(495)	(7%)	(531)	(7%)
(92)	(118)	(26)	Operational income	(302)	-	(302)	(134)	-	(134)	169	(126%)	169	(126%)
7,337	6,925	(412)	Net Expenditure	7,629	99	7,727	7,267	134	7,401	(326)	(4%)	(362)	(5%)
			Funding										
(700)	(629)	71	Government Grants	(715)	-	(715)	(695)	-	(695)	20	(3%)	20	(3%)
(532)	(532)	0	Revenue Support Grant	(806)	-	(806)	(806)	-	(806)	(0)	0%	(0)	0%
(1,304)	(1,304)	-	National Non-Domestic Rates	(1,409)	-	(1,409)	(1,411)	-	(1,411)	(2)	0%	(2)	0%
(1)	-	1	NNDR (surplus)/deficit	(17)	-	(17)	(18)	-	(18)	(0)	-	(0)	3%
(69)	-	69	Council Tax Collection Account	(43)	-	(43)	-	-	-	43	-	43	0%
(4,238)	(4,238)	-	Council Tax Precept	(4,433)	-	(4,433)	(4,439)	-	(4,439)	(6)	0%	(6)	0%
(6,844)	(6,703)	141	Total Funding	(7,423)	-	(7,423)	(7,369)	-	(7,369)	55	(1%)	55	(1%)
493	222	(271)	Funding Gap / (Surplus)	205	99	304	(102)	134	32	(272)		(307)	
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-
(175)	(146)	28	Cont'ns to/(from) Earmarked Reserves	-	(99)	(99)	-	(134)	(134)	(35)	26%	-	-
(175)	(146)	28	Total Contribution to/(from) Reserves	-	(99)	(99)	-	(134)	(134)	(35)	26%	-	-
318	76	(243)	Net Gap / (Surplus)	205	(1)	205	(102)	0	(102)	(307)		(307)	

Operational Income



Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(9,239)	(14,584)	(5,345)	37%	(58,335)	
Childcare Vouchers	(5,840)	(12,500)	(6,660)	53%	(50,000)	
Sales of Vehicles	(8,580)	0	8,580	0%	0	
Canteen Income	(50,935)	(32,500)	18,435	(57%)	(130,000)	
Sale of Vehicle Spares	(37,846)	(37,500)	346	(1%)	(150,000)	
Aerial Sites	(54,579)	(47,916)	6,662	(14%)	(191,665)	
Solar Panel Income	(21,883)	(25,000)	(3,117)	12%	(100,000)	
Hydrant Tests	(21,079)	(37,500)	(16,421)	44%	(150,000)	
Lease Cars - Employee Contributions	(2,152)	(2,500)	(348)	14%	(10,000)	
General Sales	(7,206)	0	7,206	0%	0	
Service Charges	(174)	(188)	(14)	7%	(752)	
Secondments	(140,589)	(76,251)	64,338	(84%)	(305,005)	
Community Safety General	(32,635)	(32,635)	0	0%	(130,540)	
Labour Credit	(27,325)	(37,500)	(10,175)	27%	(150,000)	
Section 13/16	(16,129)	(25,000)	(8,871)	35%	(100,000)	
Provision of Hire Vehicles & Equipment	(7,504)	0	7,504	0%	0	
Interest Received Short Term Investments	(400,659)	(62,500)	338,159	(541%)	(250,000)	
Events Income	(1,621)	(47,959)	(46,337)	97%	(191,835)	
Community Safety Youth Work	(8,420)	0	8,420	0%	0	
Shared Services Income	(113,031)	(104,170)	8,861	(9%)	(416,680)	
Other Miscellaneous Income	(110,419)	(71,442)	38,977	(55%)	(285,769)	
Total Operational Income	(1,077,845)	(667,645)	410,199	(61%)	(2,670,581)	

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	(1,465,227)	(1,465,227)	(0)	0%	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution £102k higher from prior year release
DCLG BRR 2022-23	(1,208,370)	(1,208,370)	(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	(357,262)	(356,900)	362	(0%)	(856,560)	
Firelink Grant 2022-23	(152,803)	(158,522)	(5,719)	4%	(380,453)	Communications Network (Firelink) grant and New Risk Mosaic programme funding.
Services Grant (One off investments) 2022-23	(266,665)	(266,667)	(2)	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	(82,220)	(20,585)	61,635	(299%)	(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	(3,532,547)	(3,476,271)	56,277	2%	(8,343,049)	

Balance Sheet - 31st August 2023



Essex County
Fire & Rescue Service

	31st Aug 2023 £000's	31st Jul 2023 £000's	31st Mar 2023 £000's	Variance Month £000's	Variance YTD £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	4,133	3,758	1,599	375	2,534
Long term assets	144,320	143,945	141,787	375	2,534
Inventories	400	442	445	(43)	(45)
Short term debtors	7,081	6,705	13,068	376	(5,987)
Cash and cash equivalents	34,303	36,509	18,602	(2,206)	15,701
Assets held for sale	-	-	350	-	(350)
Current assets	41,783	43,656	32,465	(1,873)	9,318
* Short term borrowings	-	-	(249)	-	249
Short term creditors	(9,138)	(8,567)	(11,447)	(571)	2,310
Grants received in advance	(14,641)	(16,780)	(1,303)	2,139	(13,338)
Current liabilities	(23,779)	(25,347)	(13,001)	1,568	(10,778)
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	(432,803)	(432,874)	(433,876)	71	1,073
Usable reserves					
General fund	3,727	3,907	3,882	(179)	(155)
Earmarked general fund reserves	6,581	6,679	7,102	(99)	(521)
Capital receipts reserve	16,090	16,091	15,741	(1)	349
Usable reserves	26,398	26,677	26,725	(279)	(327)
Unusable reserves					
Revaluation reserve	43,674	43,644	43,840	30	(166)
Capital adjustment account	67,764	67,444	66,198	320	1,566
* 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)	-	(0)
Unusable reserves	(459,201)	(459,551)	(460,601)	350	1,400
TOTAL RESERVES	(432,803)	(432,874)	(433,876)	71	1,073

* Balances adjusted at year end only.

Key Movements

Fixed Assets:

- Increase in Assets under construction of £375k 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 due to increased in VAT receivable and other small debtor movements.
- £2.2m decrease in cash and cash equivalents, as seen in the cashflow on page 8. This is due to high lump sum payments in the month.

Current Liabilities

- No short term borrowings, as the next loan payment is due in 2025.
- Short term creditors have increased by £0.6m due to movements in working capital.
- Grants received in advance have reduced by £2.1m as grants are released to income and the pension fund.

Long-term Liabilities:

- No movement in long-term liabilities - the next repayment will be in 2025.

Reserves:

Movements in Usable Reserves:

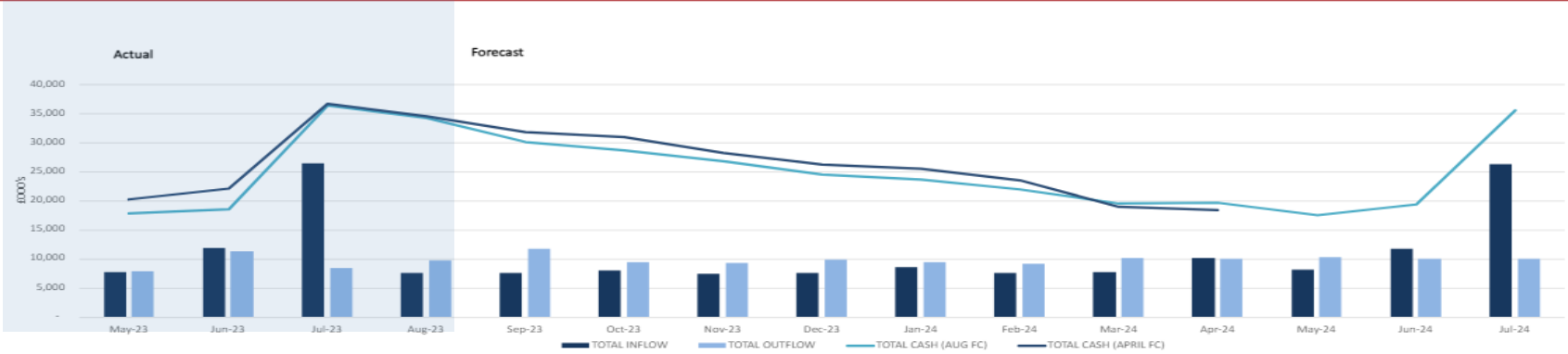
- The movements in General and Earmarked Reserves tie back to the summary Income & Expenditure statement on page 3.

Movements in Unusable Reserves:

- The movement in the Revaluation Reserve is a result of disposal accounting entries posted for day crewed house sales.

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

Cashflow Forecast



COMMENTARY

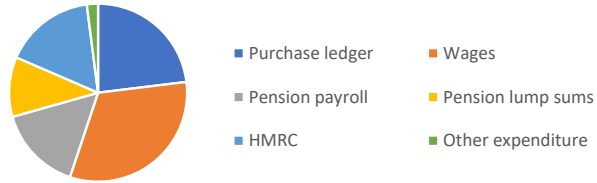
Total cash and investments at the end of August was £34.4m, down from £36.5m in July. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of £5.2m and grants of £2.1m. This is in line with expectation.
- Cash outflows include purchase ledger payments of £1.6m, which is within the expected range. Lump sum payments are high at £1.5m due to the retirement of senior staff.
- The Authority holds investments of £30.5m, up from £30m last month, including £23.5m of fixed term investments in UK government gilts. 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.
- There is a forecast drop in cash in September against the April forecast. We are still expecting a catch up of pension payroll from July, where the payment fell in August. Due to timing of payments there could be zero, one or two pension payments in a month, which creates variability in the forecast.

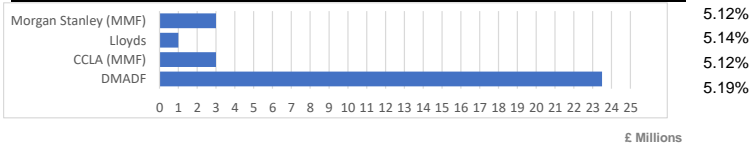
TREASURY MANAGEMENT INDICATORS

	<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	£34.4m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.11%	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 August 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	-	-	-	-
Existing Premises					
Asset Protection	1,150	1,100	-	1,100	30
Asset Improvement Works Training Facilities Improvement	774	820	-	820	221
Wethersfield replacement	500	0	-	-	-
Asset Improvement Works - Shoeburyness	-	330	-	330	242
Total Property	2,924	2,250	-	2,250	493
Equipment	939	1,344	-	1,344	325
Information Technology					
Projects	1,413	2,072	-	2,072	468
Total Information Technology	1,413	2,072	-	2,072	468
Vehicles					
New Appliances	-	5	-	5	-
Other Vehicles	720	967	(149)	818	772
Total Vehicles	720	972	(149)	823	772
Total Capital Expenditure	5,996	6,638	(149)	6,489	2,059

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



	Budget 2023/24 £	Forecast - Prior	Adjustment to Budget	Current Forecast 2023/24 £	Actual Spend £	Spend Brought Forward £
B113 - Vehicles						
Appliances (Pumping)	-	4,834	-	4,834	-	228,606
Off Road Vehicles	120,000	-	-	-	-	-
Officers Cars (Principal Officers)	80,000	40,000	-	40,000	-	-
Specialist rescue vehicle	100,000	-	-	-	-	-
Light Vans	160,000	41,000	-	41,000	35,415	-
Hose layer Replacement	260,000	-	-	-	-	-
Provided Cars	-	886,100	(149,264)	736,836	736,836	-
Total B113 - Vehicles	720,000	971,934	(149,264)	822,671	772,251	228,606
B116 - Operational Equipment						
Fitness equipment	19,000	156,000	-	156,000	155,948	-
Hose Reel Branch/Main Line Branch	-	132,548	-	132,548	132,548	-
Defibrillators	120,000	-	-	-	-	-
Thermal Imaging Cameras - training	-	45,000	-	45,000	-	-
Thermal Imaging Cameras	650,000	650,000	-	650,000	-	-
Air mats	150,000	-	-	-	-	-
BA Contamination Machine	-	50,000	-	50,000	-	-
Heatwave Costs:						
Ice makers and water kegs	-	14,500	-	14,500	6,502	-
Hoses	-	158,760	-	158,760	30,368	-
Fog spikes	-	70,000	-	70,000	-	-
Radios and repeaters	-	67,000	-	67,000	-	-
Total B116 - Operational Equipment	939,000	1,343,808	-	1,343,808	325,366	-
B114 - ICT Equipment						
Digital & Data Strategy						
DEVICES	225,000	391,000	-	391,000	217,717	-
NETWORK	-	236,000	-	236,000	148,333	56,195
Other Projects						
Station End Equipment	450,000	-	-	-	-	-
Control Project	738,450	1,445,030	-	1,445,030	102,388	475,037
Total B114 - ICT Equipment	1,413,450	2,072,030	-	2,072,030	468,439	531,231

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



	Budget 2023/24 £	Forecast - Prior	Adjustment to Forecast £	Current Forecast 2023/24 £	Actual Spend £	Spend Brought Forward £
B112 - Land & Building						
Lexden Workshops Relocation	500,000		-	-	-	-
Total B112 - Land & Building	500,000	-	-	-	-	-
B117 - Asset Improvements						
Asset Improvement Works - Shoeburyness	-	330,000	-	330,000	241,533	1,297,544
Wethersfield Replacement	500,000	-	-	-	-	-
Asset Protection Works - Training Facilities:						
Phase 3 - Harlow, Safron Waldon and Clacton	502,000	502,000	-	502,000	-	-
Phase 3 (E) - Clacton	232,000	234,000	-	234,000	210,888	16,517
Consultancy Support	40,000	80,000	-	80,000	5,560	-
Prior year retentions and small works	-	4,438	-	4,438	4,438	-
Total B117 - Asset Improvement	1,274,000	1,150,438	-	1,150,438	462,419	1,314,061
B118 - Asset Protection						
Confirmed Projects for 2023/24						
Basildon boilers/controls	140,000	140,000	-	140,000	-	-
Grays heater/controls	80,000	120,000	-	120,000	-	-
Braintree refurb	50,000	-	-	-	-	-
Southend SDP boilers/heater	60,000	60,000	-	60,000	-	-
O CAT	150,000	150,000	-	150,000	-	-
SWF windows	150,000	-	-	-	-	-
AB Floors - Stansted	60,000	20,000	-	20,000	-	-
EV Charging Points - KP	-	30,000	-	30,000	25,328	-
Control room refurbishment	-	25,000	-	25,000	-	-
Wholetime Station Modernisation						
Orsett Station and FRA	600,000	550,000	-	550,000	-	-
Provision for limited capacity	(140,000)	-	-	-	-	-
Prior year retentions and small works	-	4,859	-	4,859	4,859	-
B118 - Asset Protection	1,150,000	1,099,859	-	1,099,859	30,187	-
TOTAL FORECAST 2023-24	5,996,450	6,638,069	(149,264)	6,488,806	2,058,662	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 2022-23 pay explanations for movements from Budget	
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	2 Months
22/23	22/23 FM Code and Overtime	Chief Finance Officer	1	1	1	1	-	-	-	-	N/A
22/23	22/23 Cyber Essentials	Director of Corporate Services	1	3	-	-	1	3	-	-	5 Months
22/23	22/23 Follow-Up	Various	-	6	-	2	-	4	-	4	8 Months
22/23	22/23 Emergency Response Driving	Director of People Services	-	3	-	2	-	1	-	1	12 Months
21/22	21/22 Follow up	Chief Finance Officer	-	2	-	1	-	1	-	1	15 Months
THIS UPDATE			2	16	1	6	1	10	-	7	
			18		7		11		7		
			Percentage complete			39%		Percentage overdue			64%
LAST UPDATE			2	16	1	6	1	10	-	6	
			18		7		11		6		
			Percentage complete			39%		Percentage overdue			55%

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.

Some samples have started to come through from the auditors which are being worked through by the Finance Team.

Internal Audit Update

Both the 'On Call Payments and Processes' and 'Review of Actions Post Grenfell and Manchester Area' audits have completed and the reports are being finalised.

We have started to engage with RSM on the 'Finance System Implementation' audit, which will start in October.

No actions were closed this month and there are seven overdue recommendations, up from six in the last update. The number of overdue recommendations was raised with the Continuous Improvement Board in August for escalation.

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

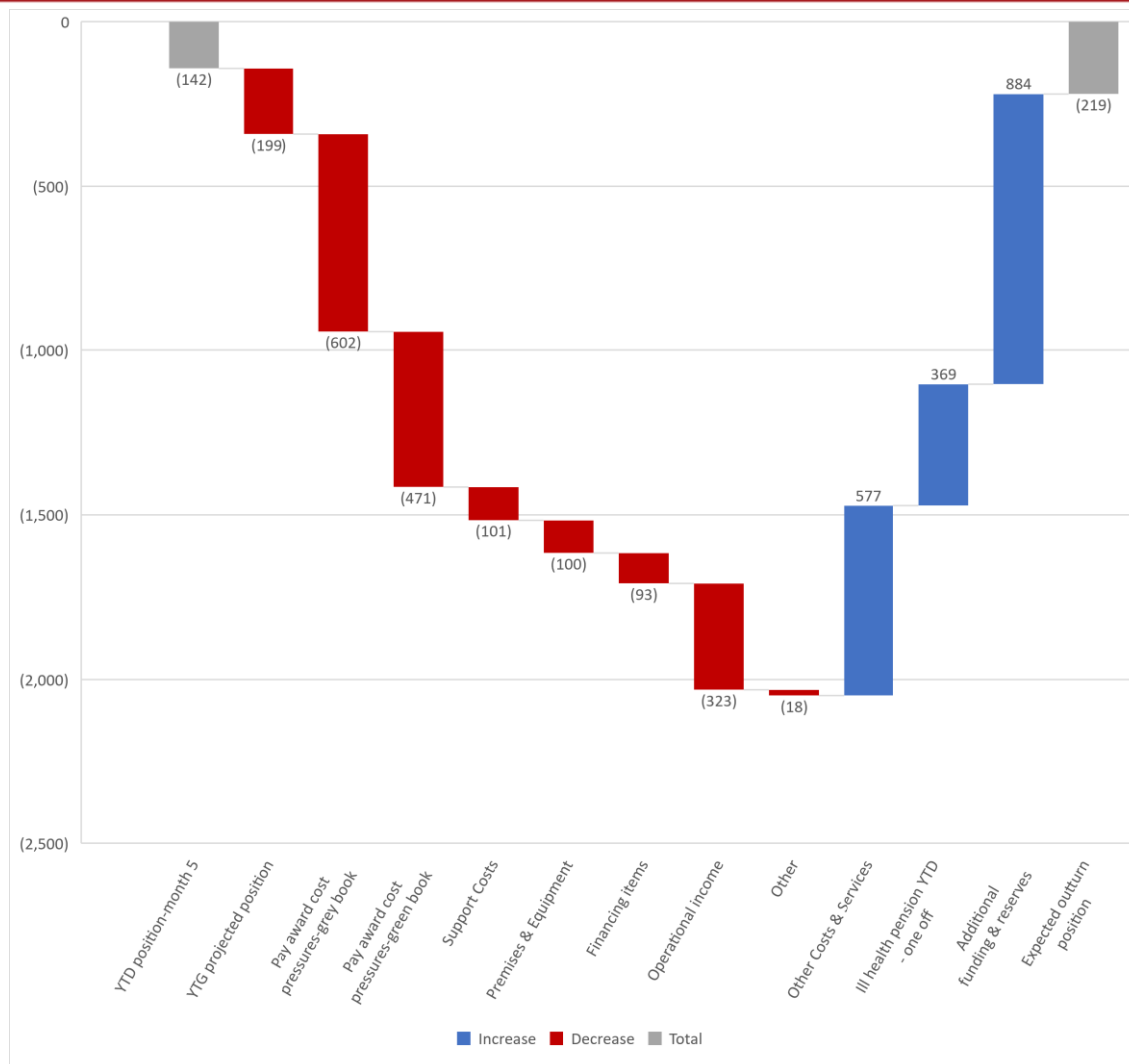
Outturn movement from Full Year Budget including Reserves



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	15,887	38,633	(642)	(2%)	3,177	38,129	503	1%
On-Call Firefighters	8,579	3,927	9,333	(754)	(9%)	785	9,425	(92)	(1%)
Control	1,957	749	1,989	(32)	(2%)	150	1,798	191	10%
Support Staff	18,270	7,449	18,350	(79)	(0%)	1,490	17,878	471	3%
Total Employment Costs	66,797	28,013	68,304	(1,507)	(2%)	5,603	67,231	1,074	2%
Other Service Expenditure									
Support Costs	1,924	859	2,162	(237)	(12%)	172	2,060	101	5%
Premises & Equipment	11,834	4,775	11,561	274	2%	955	11,461	100	1%
Other Costs & Services	3,294	1,688	3,474	(180)	(5%)	338	4,051	(577)	(17%)
Ill Health Pension costs	2,184	1,207	2,527	(343)	(16%)	241	2,896	(369)	(15%)
Financing Items	5,597	2,276	5,556	41	1%	455	5,463	93	2%
Total Other Costs	24,834	10,805	25,279	(445)	(2%)	2,161	25,932	(653)	(3%)
Gross Operating Expenditure	91,631	38,818	93,584	(1,953)	(2%)	7,764	93,163	421	0%
Operational income	(1,602)	(1,078)	(2,264)	662	(41%)	(216)	(2,587)	323	(14%)
Net Expenditure	90,029	37,740	91,319	(1,291)	(1%)	7,548	90,576	744	1%
Funding									
Government Grants Income	(8,343)	(3,533)	(9,023)	680	(8%)	(707)	(8,478)	(545)	6%
Revenue Support Grant	(9,671)	(4,029)	(9,666)	(5)	0%	(806)	(9,670)	4	(0%)
National Non-Domestic Rates	(17,137)	(7,044)	(17,128)	(9)	0%	(1,409)	(16,907)	(221)	1%
NNDR (surplus)/deficit	-	(87)	-	-	-	(17)	(208)	208	-
Council Tax Collection Account	-	(216)	(500)	500	-	(43)	(518)	18	(4%)
Council Tax Precepts	(53,267)	(22,167)	(53,196)	(71)	-	(4,433)	(53,201)	5	(0%)
Council Tax Collection Impact	-	-	-	-	-	-	-	-	-
Cont'ns to/(from) General Reserves	-	-	5	(5)	-	-	-	5	100%
Cont'ns to/(from) Earmarked Reserves	(1,610)	(521)	(1,610)	-	-	(104)	(1,252)	(358)	22%
Total Funding	(90,028)	(37,597)	(91,118)	1,090	(1%)	(7,519)	(90,234)	(884)	1%
Funding Gap/ (Surplus)	1	142	201	(201)	-	28	342	(140)	(70%)



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 onwards.

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.

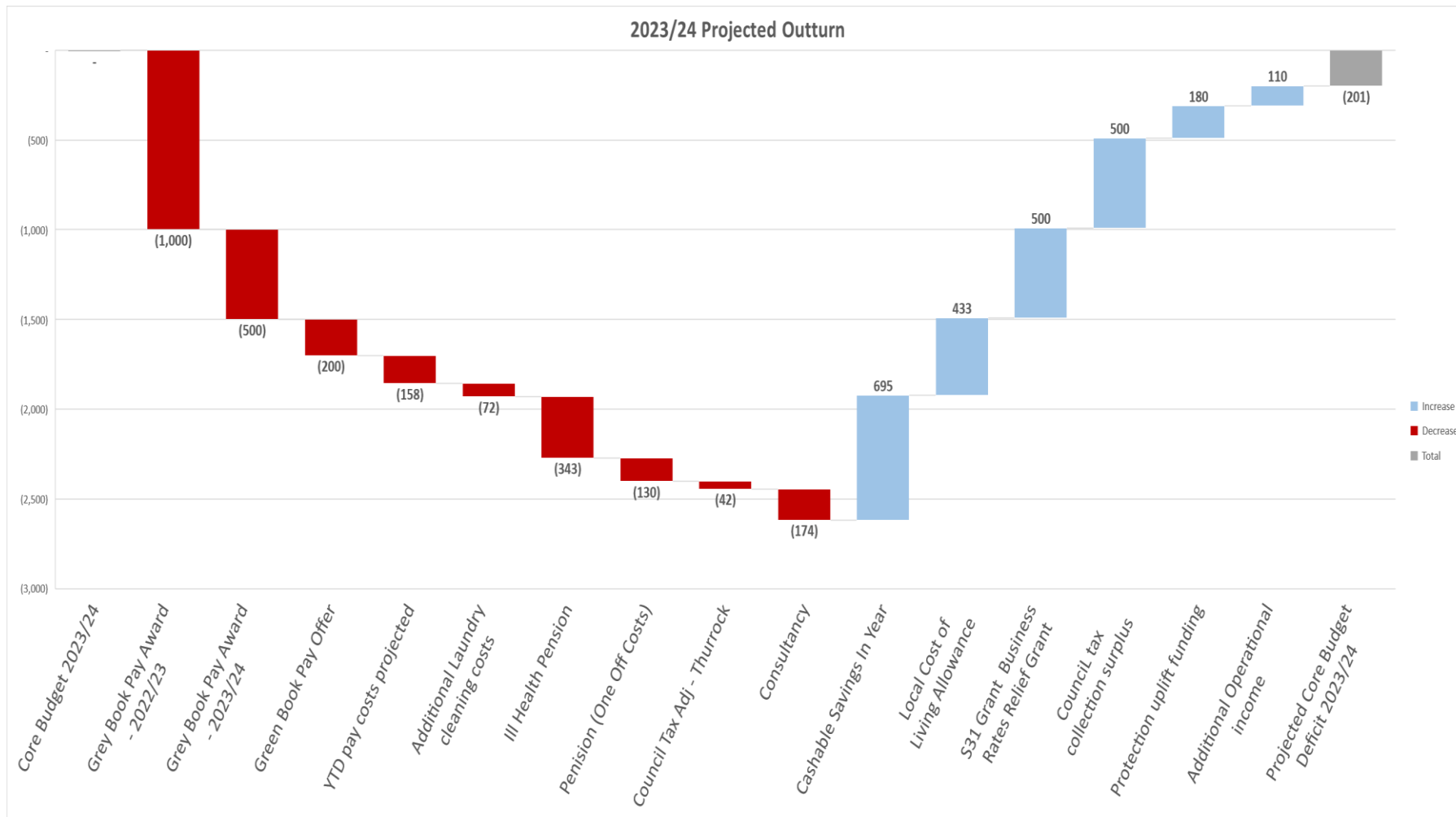
Premises & Equipment costs are lower due to timing of costs coming through, there will be £100k savings from lower utilities costs and savings in the cleaning tender.

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, these are offset by Earmarked Reserves and are included in the EMR strategy paper.

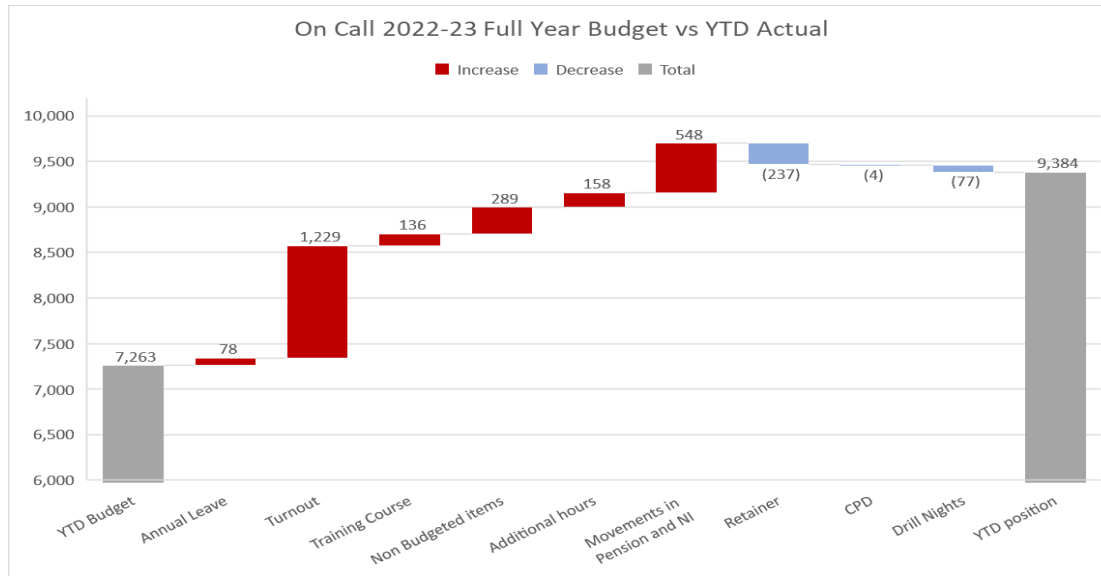
Additional Funding and Reserves includes £500k in BRR funding and £500k from council tax collections.

Movement from Budgeted position to Outturn





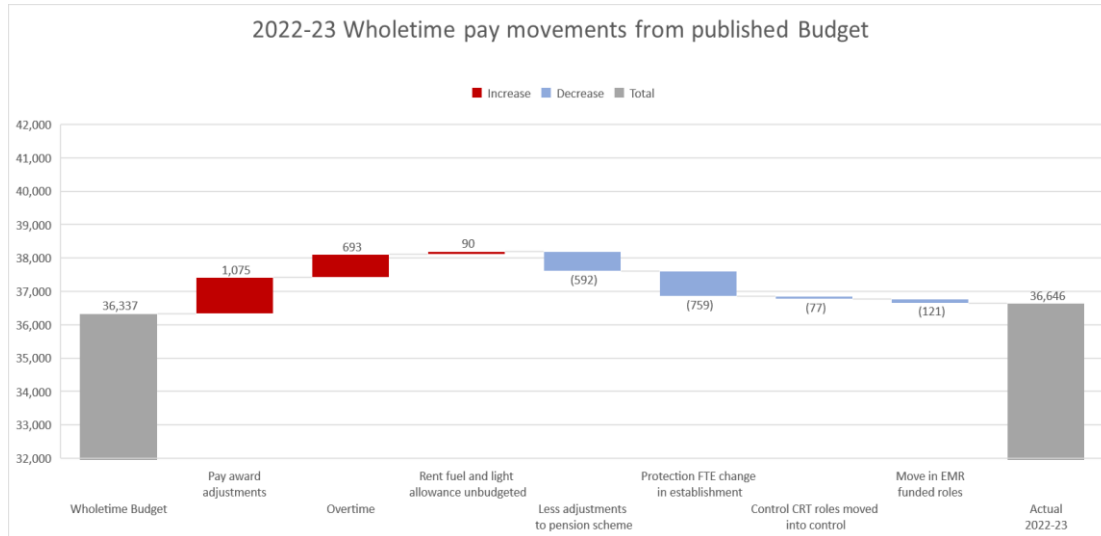
Movement from Budgeted position to final 2022-23 position



Non Budgeted items include costs such as Medical payments, On Call sickness, Trainer support hours and acting up.

Turnout includes £464k of costs for the Heatwave activity.

The impact of the additional pay award payment was £180k, this is included within



The under establishment in the Protection team offsets between the Support and Wholtime structure.