

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 - July 2023		
Type of Report:	Information		

SUMMARY

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

Executive Summary



Results for the period to July 2023

The YTD position shows a surplus position of £25k, which is £344k worse than the expected Budget position. The overspend on employment costs has been 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, particularly for the incident in Stebbing which required appliances from 7 stations. Turnout costs have been high YTD with hours peaking in June of 445 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.

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 deficit position of £258k, which is £230k worse than the monthly Budget position. The deficit position is due to an overspend in the On Call costs in the month (due to high Turnout hours).

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 to grants received in advance, as the pension fund debtor was paid in the month. The pension fund is now in a surplus position and results in an overall creditor within grants received in advance.

Cash and cash equivalents increased from £18.5m to £36.5m in the month, mainly due to significant cash inflows from the firefighter's pension scheme grant.

This money was invested with the Debt Management Office, which now sits at £23m against overall investments of £30m.

These investments have provided additional interest income for the Service, alongside rising interest rates. The Bank of England rate now sits at 5.25% as of 3rd August 2023.

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.

The forecast expenditure for the year has been reduced by £1.4m due to reductions in the vehicle and property budgets. The main divers being the Lexden workshop relocation and Wethersfield replacement, which are still at the feasibility stage, so have been rephased to commence next financial year.

Other

There were no property sales in the month.

Summary Income and Expenditure Statement to 31st July 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 %
3,231	3,206	(24)	(1%)	12,665	12,334	(330)	(3%)	WholeTime Firefighters	37,991	38,633	(642)	(2%)
857	715	(142)	(20%)	3,084	2,767	(317)	(11%)	On-Call Firefighters	8,579	9,333	(754)	(8%)
150	165	15	9%	603	635	32	5%	Control	1,957	1,989	(32)	(2%)
1,457	1,405	(52)	(4%)	5,963	6,020	58	1%	Support Staff	18,270	18,350	(79)	(0%)
5,695	5,492	(203)	(4%)	22,314	21,756	(558)	(3%)	Total Employment Costs	66,797	68,304	(1,507)	(2%)
187	163	(24)	(15%)	616	628	12	2%	Support Costs	1,924	2,162	(237)	(11%)
1,028	1,098	70	6%	3,793	4,012	219	5%	Premises & Equipment	11,834	11,561	274	2%
366	296	(70)	(24%)	1,269	1,120	(149)	(13%)	Other Costs & Services	3,294	3,474	(180)	(5%)
186	172	(15)	(9%)	1,019	811	(209)	(26%)	Ill health pension costs	2,184	2,527	(343)	(14%)
458	466	9	2%	1,815	1,866	51	3%	Financing Items	5,597	5,556	41	1%
2,225	2,195	(30)	(1%)	8,512	8,436	(76)	(1%)	Total Other Costs	24,834	25,279	(445)	(2%)
7,920	7,687	(233)	(3%)	30,826	30,193	(634)	(2%)	Gross Expenditure	91,631	93,584	(1,953)	(2%)
(172)	(134)	39	(29%)	(776)	(534)	242	(45%)	Operational Income	(1,602)	(2,264)	662	(29%)
7,747	7,553	(194)	(3%)	30,051	29,658	(392)	(1%)	Net Expenditure before Funding	90,029	91,319	(1,291)	(1%)
								Funding				
(710)	(695)	14	(2%)	(2,818)	(2,781)	37	(1%)	Government Grants	(8,343)	(9,023)	-	-
(806)	(806)	(0)	0%	(3,223)	(3,224)	(0)	0%	Revenue Support Grant	(9,671)	(9,666)	-	-
(1,409)	(1,433)	(24)	2%	(5,636)	(5,665)	(30)	1%	National Non-Domestic Rates	(17,137)	(16,924)	(213)	1%
(17)	(18)	(0)	3%	(69)	(66)	3	(5%)	NNDR (surplus)/deficit	-	(204)	500	(100%)
(43)	0	43	-	(173)	0	173	-	Council Tax Collection Account	-	(500)	500	(100%)
(4,433)	(4,439)	(6)	0%	(17,734)	(17,756)	(22)	0%	Council Tax Precept	(53,267)	(53,196)	(71)	0%
(7,418)	(7,391)	27	(0%)	(29,653)	(29,492)	161	(1%)	Total Funding	(88,418)	(89,512)	216	(0%)
329	162	(167)		398	166	(232)	(139%)	Funding Gap / (Surplus)	1,611	1,807	(1,075)	(59%)
-	-	-	-	-	-	-	-	Cont'ns to/(from) General Bals	-	5	(5)	(100%)
(71)	(134)	(63)	47%	(423)	(535)	(112)	-	Cont'ns to/(from) Earmarked Reserves	(1,610)	(1,610)	-	-
(71)	(134)	(63)	47%	(423)	(535)	(112)	-	Total Contribution to/(from) Reserves	(1,610)	(1,605)	(5)	-
258	28	(230)		(25)	(369)	(344)		Net Gap / (Surplus)	1	201	(1,079)	-

YTD Summary Income and Expenditure Statement to 31st July 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 %
11,843	12,074	231	WholeTime Firefighters	12,504	160	12,665	12,171	163	12,334	(330)	(3%)	(333)	(3%)
2,787	2,375	(413)	On-Call Firefighters	3,084	-	3,084	2,767	-	2,767	(317)	(11%)	(317)	(11%)
543	525	(18)	Control	603	-	603	635	-	635	32	5%	32	5%
5,386	5,686	300	Support Staff	5,910	53	5,963	5,997	23	6,020	58	1%	87	1%
			Inter Department Cross Charges		26	(89)	(105)	-	(105)		-	(105)	100%
20,559	20,659	100	Total Employment Costs	22,101	240	22,314	21,570	187	21,756	(558)	(3%)	(531)	(2%)
780	634	(146)	Support Costs	605	-	616	495	133	628	12	2%	(110)	(18%)
3,235	3,319	84	Premises & Equipment	3,665	128	3,793	3,829	183	4,012	219	5%	164	4%
1,103	1,137	34	Other Costs & Services	1,162	107	1,269	1,086	33	1,120	(149)	(13%)	(76)	(7%)
786	811	25	Ill health pension costs	1,019	-	1,019	811	-	811	(209)	(26%)	(209)	(26%)
1,900	1,966	66	Financing Items	1,815	-	1,815	1,866	-	1,866	51	3%	51	3%
7,803	7,866	63	Total Other Costs	8,266	246	8,512	8,086	350	8,436	(76)	(1%)	(180)	(2%)
28,362	28,525	163	Gross Expenditure	30,368	485	30,826	29,656	537	30,193	(634)	(2%)	(712)	(2%)
(581)	(472)	110	Operational Income	(776)	-	(776)	(534)	-	(534)	242	(45%)	242	(45%)
27,781	28,053	273	Net Expenditure before Funding	29,592	485	30,051	29,122	537	29,658	(392)	(1%)	(470)	(2%)
			Funding										
(2,407)	(2,516)	(109)	Government Grants	(2,818)	-	(2,818)	(2,781)	-	(2,781)	37	(1%)	37	(1%)
(4,506)	(4,523)	(17)	Revenue Support Grant	(3,223)	-	(3,223)	(3,224)	-	(3,224)	(0)	0%	(0)	0%
(5,481)	(5,481)	-	National Non-Domestic Rates	(5,636)	-	(5,636)	(5,665)	-	(5,665)	(30)	1%	(30)	1%
(8)	-	8	NNDR (surplus)/deficit	(69)	-	(69)	(66)	-	(66)	3		3	
(249)	-	249	Council Tax Collection Account	(173)	-	(173)	-	-	-	173	-	173	-
(15,522)	(15,522)	0	Council Tax Precept	(17,734)	-	(17,734)	(17,756)	-	(17,756)	(22)	0%	(22)	0%
(28,173)	(28,042)	131	Total Funding	(29,653)	-	(29,653)	(29,492)	-	(29,492)	161	(1%)	161	(1%)
(392)	11	403	Funding Gap / (Surplus)	(61)	485	398	(370)	537	166	(232)	(139%)	(310)	(186%)
-	-	-	- Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-
(836)	(844)	(8)	Cont'ns to/(from) Earmarked Reserves	9	(431)	(423)	-	(535)	(535)	(112)	-	(9)	2%
(836)	(844)	(8)	Total Contribution to/(from) Reserves	9	(431)	(423)	-	(535)	(535)	(112)	-	(9)	2%
(1,228)	(833)	395	Net Gap / (Surplus)	(52)	53	(25)	(370)	2	(369)	(344)	-	(318)	-

Period Summary Income and Expenditure Statement to 31st July 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 %
2,979	3,036	57	Wholetime Firefighters	3,205	26	3,231	3,166	41	3,206	(24)	(1%)	(39)	(1%)
760	594	(166)	On-Call Firefighters	857	-	857	715	-	715	(142)	(20%)	(142)	(20%)
136	131	(5)	Control	150	-	150	165	-	165	15	9%	15	9%
1,283	1,352	68	Support Staff	1,452	6	1,457	1,399	6	1,405	(52)	(4%)	(52)	(4%)
5,158	5,112	(46)	Total Employment Costs	5,663	32	5,695	5,445	47	5,492	(203)	(4%)	(218)	(4%)
164	158	(5)	Support Costs	186	-	187	130	33	163	(24)	(15%)	(57)	(35%)
880	830	(50)	Premises & Equipment	1,003	25	1,028	1,052	46	1,098	70	6%	49	4%
308	292	(17)	Other Costs & Services	366	-	366	288	8	296	(70)	(24%)	(78)	(26%)
171	172	1	Ill health pension costs	186	-	186	172	-	172	(15)	(9%)	(15)	(9%)
467	491	25	Financing Items	458	-	458	466	-	466	9	2%	9	2%
1,989	1,943	(46)	Total Other Costs	2,200	25	2,225	2,108	88	2,195	(30)	(1%)	(92)	(4%)
7,147	7,055	(92)	Gross Expenditure	7,863	57	7,920	7,553	134	7,687	(233)	(3%)	(310)	(4%)
(123)	(118)	5	Operational income	(172)	-	(172)	(134)	-	(134)	39	(29%)	39	(29%)
7,025	6,937	(87)	Net Expenditure	7,690	57	7,747	7,419	134	7,553	(194)	(3%)	(271)	(4%)
			Funding										
(623)	(629)	(6)	Government Grants	(710)	-	(710)	(695)	-	(695)	14	(2%)	14	(2%)
(532)	(532)	-	Revenue Support Grant	(806)	-	(806)	(806)	-	(806)	(0)	0%	(0)	0%
(1,405)	(1,405)	-	National Non-Domestic Rates	(1,409)	-	(1,409)	(1,433)	-	(1,433)	(24)	2%	(24)	2%
(4)	-	4	NNDR (surplus)/deficit	(17)	-	(17)	(18)	-	(18)	(0)	-	(0)	-
(69)	-	69	Council Tax Collection Account	(43)	-	(43)	-	-	-	43	-	43	-
(4,238)	(4,238)	-	Council Tax Precept	(4,433)	-	(4,433)	(4,439)	-	(4,439)	(6)	0%	(6)	0%
(6,871)	(6,804)	67	Total Funding	(7,418)	-	(7,418)	(7,391)	-	(7,391)	27	(0%)	27	(0%)
154	134	(20)	Funding Gap / (Surplus)	272	57	329	28	134	162	(167)		(244)	
-	-	-	Cont'ns to/(from) General Bals	-	-	-	-	-	-	-	-	-	-
(136)	(130)	6	Cont'ns to/(from) Earmarked Reserves	-	(56)	(71)	-	(134)	(134)	(63)	47%	-	-
(136)	(130)	6	Total Contribution to/(from) Reserves	-	(56)	(71)	-	(134)	(134)	(63)	47%	-	-
18	4	(14)	Net Gap / (Surplus)	272	1	258	28	0	28	(230)		(244)	

Operational Income



Operational Income	YTD Actual £	YTD Budget £	Variance YTD £	Variance YTD %	Current Full Year Budget £	Comments
Cycle to Work Scheme	(8,069)	(11,667)	(3,598)	31%	(46,668)	
Childcare Vouchers	(4,780)	(10,000)	(5,220)	52%	(40,000)	
Sales of Vehicles	(8,580)	0	8,580	0%	0	
Canteen Income	(39,161)	(26,000)	13,161	(51%)	(104,000)	
Sale of Vehicle Spares	(29,035)	(30,000)	(965)	3%	(120,000)	
Aerial Sites	(43,329)	(38,333)	4,996	(13%)	(153,332)	
Solar Panel Income	(11,032)	(20,000)	(8,968)	45%	(80,000)	
Hydrant Tests	(16,322)	(30,000)	(13,678)	46%	(120,000)	
Lease Cars - Employee Contributions	(1,872)	(2,000)	(128)	6%	(8,000)	
General Sales	(7,034)	0	7,034	0%	0	
Service Charges	(139)	(151)	(11)	7%	(602)	
Secondments	(113,617)	(61,001)	52,616	(86%)	(244,004)	
Community Safety General	(26,108)	(26,108)	0	0%	(104,432)	
Labour Credit	(25,057)	(30,000)	(4,943)	16%	(120,000)	
Section 13/16	(7,314)	(20,000)	(12,686)	63%	(80,000)	
Provision of Hire Vehicles & Equipment	(7,424)	0	7,424	0%	0	
Interest Received Short Term Investments	(240,923)	(50,000)	190,923	(382%)	(200,000)	
Events Income	(1,621)	(38,367)	(36,746)	96%	(153,468)	
Community Safety Youth Work	(5,670)	0	5,670	0%	0	
Shared Services Income	(86,191)	(83,336)	2,855	(3%)	(333,344)	
Other Miscellaneous Income	(92,424)	(57,154)	35,270	(62%)	(228,616)	
Total Operational Income	(775,703)	(534,117)	241,586	(45%)	(2,136,466)	

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	(1,172,182)	(1,172,182)	(0)	0%	(3,516,545)	Central Govt. Grant for Pensions - increase in Employers contribution £102k higher from prior year release
DCLG BRR 2022-23	(966,696)	(966,696)	(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	(285,810)	(285,520)	290	(0%)	(856,560)	
Firelink Grant 2022-23	(122,242)	(126,818)	(4,575)	4%	(380,453)	Communications Network (Firelink) grant and New Risk Mosaic programme funding.
Services Grant (One off investments) 2022-23	(213,332)	(213,333)	(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	(57,527)	(16,468)	41,059	(249%)	(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	(2,817,789)	(2,781,016)	36,773	1%	(8,343,049)	

Balance Sheet - 31st July 2023

	31st Jul 2023	30th Jun 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	3,758	3,116	1,599	641	2,159
Long term assets	143,945	143,304	141,787	641	2,158
Inventories	442	452	445	(10)	(3)
Short term debtors	6,705	14,975	13,068	(8,270)	(6,363)
Cash and cash equivalents	36,509	18,543	18,602	17,966	17,907
Assets held for sale	-	-	350	-	(350)
Current assets	43,656	33,970	32,465	9,686	11,191
* Short term borrowings	-	-	(249)	-	249
Short term creditors	(8,567)	(8,434)	(11,447)	(133)	2,880
Grants received in advance	(16,780)	(6,607)	(1,303)	(10,173)	(15,477)
Current liabilities	(25,347)	(15,040)	(13,001)	(10,307)	(12,347)
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	(432,874)	(432,894)	(433,876)	21	1,002
Usable reserves					
General fund	3,907	4,165	3,882	(259)	25
Earmarked general fund reserves	6,679	6,750	7,102	(71)	(423)
Capital receipts reserve	16,091	16,091	15,741	-	350
Usable reserves	26,677	27,006	26,725	(329)	(48)
Unusable reserves					
Revaluation reserve	43,644	43,644	43,840	-	(196)
Capital adjustment account	67,444	67,094	66,198	350	1,246
* 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	(459,551)	(459,901)	(460,601)	350	1,050
TOTAL RESERVES	(432,874)	(432,894)	(433,876)	21	1,002

* Balances adjusted at year end only.

Key Movements

Fixed Assets:

- Increase in Assets under construction of £641k 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:

- Fall in short term debtors predominantly due the payment of the pension debtor plus accumulated deficit of £6.2m as well as accrual adjustments relating to precept income. This was a result of a YTD adjustment to recognise precepts evenly across the year.
- £18.0m increase in cash and cash equivalents, as seen in the cashflow on page 8. This is due to the annual pension grant.

Current Liabilities

- No short term borrowings, as the next loan payment is due in 2025.
- Short term creditors have increased by £0.1m due to movements in working capital.
- Grants received in advance have increased by £10.2m due to the payment of the pension grant relating to the whole year.

Long-term Liabilities:

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

Reserves:

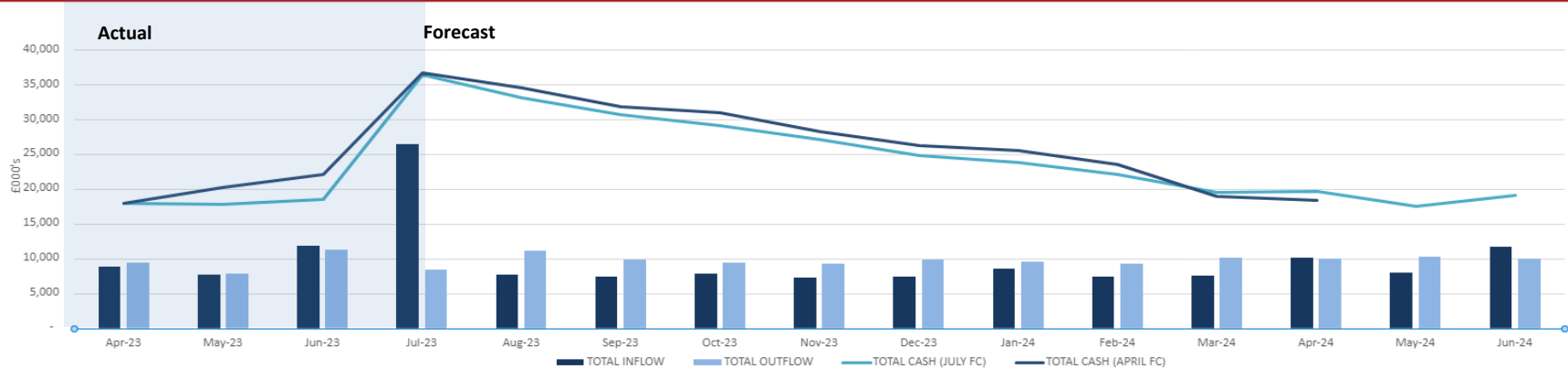
Movements in Usable Reserves:

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

Movements in Unusable Reserves:

- No movement in the revaluation reserve in the month.
- The movement in the Capital Adjustment Account reflect adjustments for MRP in the month offset by disposal movements.

Cashflow Forecast



COMMENTARY

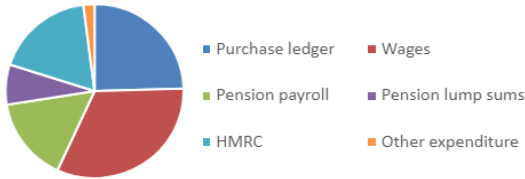
Total cash and investments at the end of July was £36.5m, up from £18.5m in June. Key inflows and outflows for the month are summarised below:

- Cash inflows include precepts of £5.2m and grants of £20.5m. Significant grant income included the Fire Pensions Grant of £18.6m to fund the Firefighter's Pension Scheme.
- Cash outflows include purchase ledger payments of £2.3m, which is within the expected range. There were no pension payroll payments in July, as the payment fell at the end of June.
- The Authority holds investments of £30m, up from £15m last month, including £23m 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.
- 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.

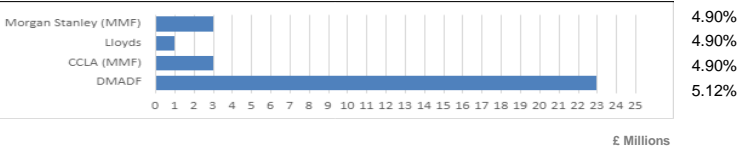
TREASURY MANAGEMENT INDICATORS

	<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	£36.5m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.26%	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 July 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	(50)	1,100	30
Asset Improvement Works Training Facilities Improvement	774	818	2	820	162
Wethersfield replacement	500	500	(500)	-	-
Asset Improvement Works - Shoeburyness	-	330	-	330	192
Total Property	2,924	3,298	(1,048)	2,250	383
Equipment	939	1,344	-	1,344	205
Information Technology					
Projects	1,413	2,072	-	2,072	358
Total Information Technology	1,413	2,072	-	2,072	358
Vehicles					
New Appliances	-	5	-	5	-
Other Vehicles	720	1,361	(394)	967	737
Total Vehicles	720	1,366	(394)	972	737
Total Capital Expenditure	5,996	8,080	(1,442)	6,638	1,684

Essex County Fire & Rescue Service - Capital Expenditure as at 31st July 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	-	-	-	-	-
Light Vans	6	160,000	435,000	(394,000)	41,000	-	-
Hose layer Replacement	12	260,000	-	-	-	-	-
Provided Cars	6	-	886,100	-	886,100	736,836	-
Total B113 - Vehicles		720,000	1,365,934	(394,000)	971,934	736,836	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	-	50,000	-	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	1,343,808	-	1,343,808	205,028	-
B114 - ICT Equipment							
Digital & Data Strategy							
DEVICES	3	225,000	391,000	-	391,000	217,717	-
NETWORK	3	-	236,000	-	236,000	140,755	56,195
Other Projects							
Station End Equipment	3	450,000	-	-	-	-	-
Control Project	7	738,450	1,445,030	-	1,445,030	-	475,037
Total B114 - ICT Equipment		1,413,450	2,072,030	-	2,072,030	358,472	531,231

Essex County Fire & Rescue Service - Capital Expenditure as at 31st July 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	-	330,000	191,553	1,297,544
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	2,000	234,000	151,610	16,517
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	1,648,368	(498,000)	1,150,368	353,092	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	-	-
O CAT	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	25,328	-
Control room refurbishment	20	-	-	25,000	25,000	-	-
Wholetime Station Modernisation							
Orsett Station and FRA	20	600,000	600,000	(50,000)	550,000	-	-
Provision for limited capacity	20	(140,000)	(130,000)	160,000	-	-	-
				4,859	4,859	4,859	
B118 - Asset Protection		1,150,000	1,150,000	(50,141)	1,099,859	30,187	-
TOTAL FORECAST 2023-24		5,996,450	8,080,140	(1,442,141)	6,637,999	1,683,616	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	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	-	3	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	-	6	
			18		7		11		6		
			Percentage complete		39%		Percentage overdue		55%		
LAST UPDATE			2	16	1	5	1	11	-	6	
			18		6		12		6		
			Percentage complete		33%		Percentage overdue		50%		

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

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 On Call Payments and Processes audit has completed and the draft report is being reviewed.

The review of Actions Post Grenfell and Manchester Arena audit will commenced 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.

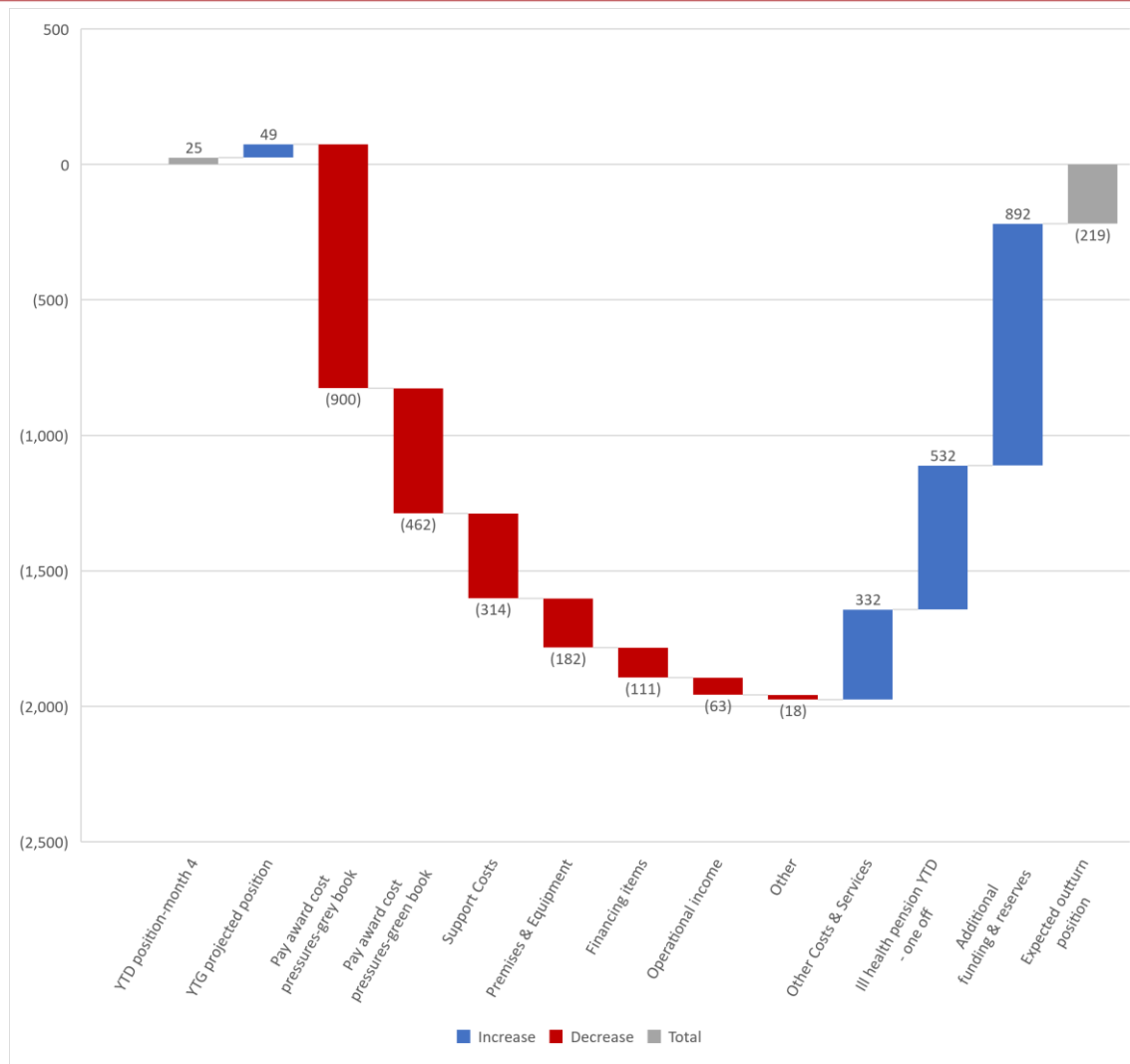
Outturn movement from Full Year Budget including Reserves



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	12,665	38,633	(642)	(2%)	3,166	37,994	639	2%
On-Call Firefighters	8,579	3,084	9,333	(754)	(9%)	771	9,251	82	1%
Control	1,957	603	1,989	(32)	(2%)	151	1,810	179	9%
Support Staff	18,270	5,963	18,350	(79)	(0%)	1,491	17,888	462	3%
Total Employment Costs	66,797	22,314	68,304	(1,507)	(2%)	5,579	66,943	1,362	2%
Other Service Expenditure									
Support Costs	1,924	616	2,162	(237)	(12%)	154	1,847	314	15%
Premises & Equipment	11,834	3,793	11,561	274	2%	948	11,379	182	2%
Other Costs & Services	3,294	1,269	3,474	(180)	(5%)	317	3,807	(332)	(10%)
Ill Health Pension costs	2,184	1,019	2,527	(343)	(16%)	255	3,058	(532)	(21%)
Financing Items	5,597	1,815	5,556	41	1%	454	5,445	111	2%
Total Other Costs	24,834	8,512	25,279	(445)	(2%)	2,128	25,536	(257)	(1%)
Gross Operating Expenditure	91,631	30,826	93,584	(1,953)	(2%)	7,707	92,479	1,105	1%
Operational income	(1,602)	(776)	(2,264)	662	(41%)	(194)	(2,327)	63	(3%)
Net Expenditure	90,029	30,051	91,319	(1,291)	(1%)	7,513	90,152	1,168	1%
Funding									
Government Grants Income	(8,343)	(2,818)	(9,023)	680	(8%)	(704)	(8,453)	(570)	6%
Revenue Support Grant	(9,671)	(3,223)	(9,666)	(5)	0%	(806)	(9,670)	4	(0%)
National Non-Domestic Rates	(17,137)	(5,636)	(17,128)	(9)	0%	(1,409)	(16,907)	(221)	1%
NNDR (surplus)/deficit	-	(69)	-	-	-	(17)	(208)	208	-
Council Tax Collection Account	-	(173)	(500)	500	-	(43)	(518)	18	(4%)
Council Tax Precepts	(53,267)	(17,734)	(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)	(423)	(1,610)	-	-	(106)	(1,268)	(342)	21%
Total Funding	(90,028)	(30,075)	(91,118)	1,090	(1%)	(7,519)	(90,226)	(892)	1%
Funding Gap/ (Surplus)	1	(25)	201	(201)	-	(6)	(74)	275	137%



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

