

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



Meeting:	<b>Fire &amp; Rescue - Performance and Resources Board</b>
Report Author:	Delusha Jeyanathan - Senior Finance Business Partner
Presented By:	Neil Cross - Chief Finance Officer
Subject:	<b>Budget Review - April 2024</b>
Type of Report:	Information

**SUMMARY**

This paper reports on expenditure against budget as at April 2024 and identifies and comments on major budget variations. 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 April 2024.

# Income & Expenditure Statement

30th April 2024



Description	In-month				YTD			
	Actuals (£'000s)	Budget (£'000s)	Variance (£'000s)	Variance (%)	Actuals (£'000s)	Budget (£'000s)	Variance (£'000s)	Variance (%)
Wholetime Firefighters	3,445	3,154	(291)	-8%	3,445	3,154	(291)	-8%
On-Call Firefighters	849	785	(64)	-8%	849	785	(64)	-8%
Support Staff	1,526	1,556	31	2%	1,526	1,556	31	2%
Control	150	186	36	24%	150	186	36	24%
Ill health pension costs	269	329	59	22%	269	329	59	22%
<b>Total Employment Costs</b>	<b>6,239</b>	<b>6,010</b>	<b>(229)</b>	<b>-4%</b>	<b>6,239</b>	<b>6,010</b>	<b>(229)</b>	<b>-4%</b>
Support Costs	213	178	(35)	-16%	213	178	(35)	-16%
Other Costs & Services	311	325	14	5%	311	325	14	5%
Premises & Equipment	1,019	1,033	14	1%	1,019	1,033	14	1%
Financing Items	455	467	12	3%	455	467	12	3%
<b>Total Other Costs</b>	<b>1,997</b>	<b>2,003</b>	<b>6</b>	<b>0%</b>	<b>1,997</b>	<b>2,003</b>	<b>6</b>	<b>0%</b>
<b>Gross Expenditure</b>	<b>8,236</b>	<b>8,013</b>	<b>(223)</b>	<b>-3%</b>	<b>8,236</b>	<b>8,013</b>	<b>(223)</b>	<b>-3%</b>
<b>Operational Income</b>	<b>(189)</b>	<b>(172)</b>	<b>18</b>	<b>9%</b>	<b>(189)</b>	<b>(172)</b>	<b>18</b>	<b>9%</b>
Government Grants	(780)	(515)	265	34%	(780)	(515)	265	34%
Revenue Support Grant	(1,155)	(1,153)	2	0%	(1,155)	(1,153)	2	0%
National Non-Domestic Rates	(1,476)	(1,493)	(17)	(1%)	(1,476)	(1,493)	(17)	(1%)
NNDR Surplus/Deficit	(18)	0	18	100%	(18)	0	18	100%
Council Tax Collection Account	(38)	(25)	13	35%	(38)	(25)	13	35%
Council Tax Precept	(4,619)	(4,617)	3	0%	(4,619)	(4,617)	3	0%
<b>Total Funding</b>	<b>(8,087)</b>	<b>(7,803)</b>	<b>284</b>	<b>4%</b>	<b>(8,087)</b>	<b>(7,803)</b>	<b>284</b>	<b>4%</b>
<b>Total Income &amp; Funding</b>	<b>(8,277)</b>	<b>(7,975)</b>	<b>302</b>	<b>4%</b>	<b>(8,277)</b>	<b>(7,975)</b>	<b>302</b>	<b>4%</b>
<b>Funding Gap/ (Surplus)</b>	<b>(41)</b>	<b>38</b>	<b>79</b>	<b>-194%</b>	<b>(41)</b>	<b>38</b>	<b>79</b>	<b>-194%</b>
<b>Cont'ns to/(from) Earmarked Reserves</b>	<b>(59)</b>	<b>(106)</b>	<b>(47)</b>	<b>-79%</b>	<b>(59)</b>	<b>(106)</b>	<b>(47)</b>	<b>-79%</b>
<b>Net Gap/ (Surplus)</b>	<b>(100)</b>	<b>(68)</b>	<b>32</b>	<b>32%</b>	<b>(100)</b>	<b>(68)</b>	<b>32</b>	<b>32%</b>

## Executive Summary

30th April 2024



The in-month position shows a surplus of £100k, an increase of £32k vs budget.

### **Pay Commentary**

The budgeted pay award for both Grey & Green Book is 3%.

On-Call staff costs always relate to the prior month's activity. There have been additional Standby costs of £42k, which are to ensure the service is in line with the response model.

Wholetime Firefighters' costs is overspent by £291k.

On-Call Firefighters' costs is overspent by £64k.

Support Staff (Green Book) is underspent by £31k.

Ill health pension costs is underspent by £59k.

### **Non-Pay Commentary**

Support costs is overspent by £35k.

Other costs & services is underspent by £14k.

Premises & equipment is underspent by £14k.

Financing items is underspent by £12k.

Operational Income for the month is £189k, which is £18k above budget. This is mostly driven by investment income of £80k.

### **Cashflow Forecast**

Total cash and investments at the end of April was £19.3m, up from £17.7m in March. The Authority holds investments of £18.5m, which is £2.5m more than last month, including £9m of fixed term investments in UK government gilts. The remaining investments are in money market funds, CCLA and a Lloyds call account to maintain liquidity.

### **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 2024-25 is £9.6m.

## Operational Income & Government Grants

30th April 2024

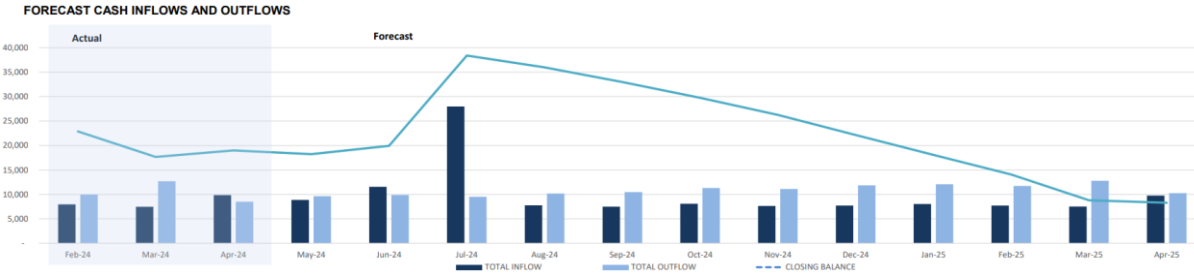


Operational Income	In-month				YTD			
	Actuals (£)	Budget (£)	Variance (£)	Variance (%)	Actuals (£)	Budget (£)	Variance (£)	Variance (%)
Employees - Additional Contribution	(532)				(532)			
Sales General	(31)				(31)			
Service Charges		(38)				(38)		
Sales of Vehicle Spares	(1,367)	(7,917)	(6,550)	(479%)	(1,367)	(7,917)	(6,550)	(479%)
Aerial Sites	(12,533)	(10,581)	1,952	16%	(12,533)	(10,581)	1,952	16%
Solar Panel Income		(5,000)				(5,000)		
Hydrant Tests	(3,951)	(8,833)	(4,882)	(124%)	(3,951)	(8,833)	(4,882)	(124%)
Secondments	(14,537)	(14,885)	(348)	(2%)	(14,537)	(14,885)	(348)	(2%)
Community Safety Income		(2,896)				(2,896)		
Fleet Services Income	(3,607)	(10,000)	(6,393)	(177%)	(3,607)	(10,000)	(6,393)	(177%)
Section 13/16 - Income	(22,440)	(9,239)	13,201	59%	(22,440)	(9,239)	13,201	59%
Transport Income								
Events income								
Community Safety Youth Work		(4,167)				(4,167)		
Shared Services Income	(13,587)	(31,437)	(17,850)	(131%)	(13,587)	(31,437)	(17,850)	(131%)
Other Miscellaneous Income	(29,108)	(9,542)	19,566	67%	(29,108)	(9,542)	19,566	67%
Sale of Assets								
Income - Catering	(6,101)	(9,934)	(3,833)	(63%)	(6,101)	(9,934)	(3,833)	(63%)
Other Recoverable Charges - Payroll	(1,410)	(5,463)	(4,053)	(287%)	(1,410)	(5,463)	(4,053)	(287%)
Interest Received	(80,163)	(41,667)	38,496	48%	(80,163)	(41,667)	38,496	48%
	<b>(189,366)</b>	<b>(171,598)</b>	<b>17,768</b>	<b>9%</b>	<b>(189,366)</b>	<b>(171,598)</b>	<b>17,768</b>	<b>9%</b>

Government Grants	In-month				In-month			
	Actuals (£)	Budget (£)	Variance (£)	Variance (%)	Actuals (£)	Budget (£)	Variance (£)	Variance (%)
Pensions Grant	0	(4,917)	(4,917)		0	(4,917)	(4,917)	
Addt. Pension Grant- Grey Book Pension Increase	(219,144)				(219,144)			
Business Rates Relief (BRR)	(335,083)	(335,119)	(36)	(0%)	(335,083)	(335,119)	(36)	(0%)
Urban Search and Rescue (USAR)	(68,729)	(68,729)	0	0%	(68,729)	(68,729)	0	0%
Funding Guarantee	(121,584)	(52,771)	68,813	57%	(121,584)	(52,771)	68,813	57%
Firelink	(24,417)	(24,448)	(31)	(0%)	(24,417)	(24,448)	(31)	(0%)
Service Grant	(8,750)	(8,761)	(11)	(0%)	(8,750)	(8,761)	(11)	(0%)
Detection, Identification & Monitoring (DIM)	(2,723)	(2,723)	(0)	(0%)	(2,723)	(2,723)	(0)	(0%)
Marauding Terrorist Attack (MTA)		(1,625)	(1,625)			(1,625)	(1,625)	
Protection Uplift		(16,363)	(16,363)			(16,363)	(16,363)	
	<b>(780,431)</b>	<b>(515,457)</b>	<b>264,974</b>	<b>34%</b>	<b>(780,431)</b>	<b>(515,457)</b>	<b>264,974</b>	<b>34%</b>

# Cashflow Forecast

30th April 2024



## Commentary

Total cash and investments at the end of April was £19.3m, up from £17.7m in March. Key inflows and outflows for the month are summarised below:

Cash inflows include precepts of £3.6m and grants of £5.7m. Grant income includes the payment of Revenue Support Grant in advance.

Cash outflows include purchase ledger payments of £0.7m, which is lower than normal, as creditors were paid down before year end. There was one pension payroll payment totalling £2.2m in April.

The Authority holds investments of £18.5m, which is £2.5m more than last month, including £9m of fixed term investments in UK government gilts.

The remaining investments are in money market funds, CCLA and a Lloyds call account to maintain liquidity.

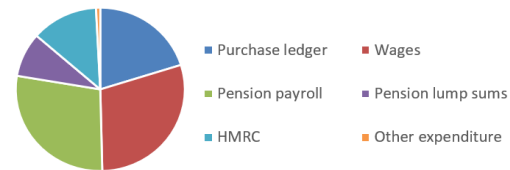
It is forecast that cash will fall by £8.9m by March 2025 due to repayment of loans totalling £1m, investment in the capital programme in excess of minimum revenue provision of £5.1m and forecast deficit/use of reserves of £2.75m in the year, resulting in a cash position of £8.8m in March 2025.

The forecast above will form the new projection that will be tracked against for the 2024/25 financial year.

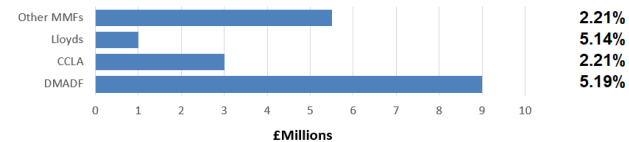
## TREASURY MANAGEMENT INDICATORS

Indicator	Value	Explanation of Indicators
Credit risk indicator	AAA	The average credit rating of investments must be A or greater.
Liquidity risk indicator	£19.3m	The target cash available within 3 months is £8.5m.
Monthly interest rate movement	0.00%	Change in weighted 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	0%	
5 years and within 10 years	0%	
10 years and within 15 years	0%	
15 years and above	0%	

## EXPENDITURE ANALYSIS



## INVESTMENTS



# Capital Summary

30th April 2024



Essex County  
Fire & Rescue Service

Capital	Carry Forward 2023/24	Budget 2024/25	Adjustment to Budget	Forecast - Current	Actual Spend
<b>New Premises</b>					
Fleet Workshops Relocation (Consultancy fees)	-	247	-	247	-
Hot Fire Training Relocation (Consultancy fees)	-	250	-	250	-
Training works/BA Chambers	326	176	-	502	-
<b>Existing Premises</b>					
Asset Protection	160	170	27	357	25
Wholetime Station Modernisation	-	637	(37)	600	-
Other projects	-	150	-	150	-
<b>Total Property</b>	<b>486</b>	<b>1,630</b>	<b>(10)</b>	<b>2,106</b>	<b>25</b>
<b>Equipment</b>	<b>6</b>	<b>1,765</b>	<b>(692)</b>	<b>1,079</b>	<b>-</b>
<b>Information Technology</b>					
Projects	841	1,110	10	1,961	-
<b>Total Information Technology</b>	<b>841</b>	<b>1,110</b>	<b>10</b>	<b>1,961</b>	<b>-</b>
<b>Vehicles</b>					
New Appliances	-	3,674	-	3,674	-
Other Vehicles	-	746	-	746	-
<b>Total Vehicles</b>	<b>-</b>	<b>4,420</b>	<b>-</b>	<b>4,420</b>	<b>-</b>
<b>Total Capital Expenditure</b>	<b>1,333</b>	<b>8,925</b>	<b>(692)</b>	<b>9,565</b>	<b>25</b>

# Capital Report

30th April 2024



Essex County  
Fire & Rescue Service

Capital	Carry Forward 2023/24	Budget 2024/25	Adjustment to Forecast	Forecast - Current	Actual Spend
<b>B11700 - Land &amp; Building</b>					
Fleet Workshops Relocation (Consultancy fees)	-	246,900		246,900	
Hot Fire Training Relocation (Consultancy fees)	-	250,000		250,000	
Training works/BA Chambers	326,158	175,842		502,000	-
<b>Total B11700 - Land &amp; Building</b>	<b>326,158</b>	<b>672,742</b>	<b>-</b>	<b>998,900</b>	<b>-</b>
<b>B11703 - Operational Equipment</b>					
Thermal Imaging Cameras (incl. training department)	-	695,000	-	695,000	-
Hoses	-	-	58,000	58,000	-
Radios and repeaters	6,000	-	-	6,000	-
Hydraulic RTC Cutting Equipment	-	750,000	(750,000)	-	-
Light Portable Pumps	-	160,000		160,000	-
Method entry equipment	-	30,000		30,000	-
PPV Fans	-	130,000	-	130,000	-
<b>Total B11703 - Operational Equipment</b>	<b>6,000</b>	<b>1,765,000</b>	<b>(692,000)</b>	<b>1,079,000</b>	<b>-</b>
<b>B11702 - ICT Equipment</b>					
Control Project	840,518	-		840,518	
Switchgear replacements	-	-	10,000	10,000	-
Laptops and devices	-	160,000	-	160,000	-
MDT and tablets	-	500,000	-	500,000	-
Station End Equipment	-	450,000	-	450,000	-
<b>Total B11702 - ICT Equipment</b>	<b>840,518</b>	<b>1,110,000</b>	<b>10,000</b>	<b>1,960,518</b>	<b>-</b>

# Capital Report

30th April 2024



Essex County  
Fire & Rescue Service

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# Capital Report

30th April 2024



Essex County  
Fire & Rescue Service

Capital	Carry Forward 2023/24	Budget 2024/25	Adjustment to Forecast	Forecast - Current	Actual Spend
<b>B11705 - Asset Protection</b>					
<b>Asset Protection Works</b>					
Basildon boilers/controls	80,000	-	20,000	100,000	-
Grays - Water Heating, Pumps and BMS Controls	80,000	-	20,000	100,000	-
Bay door replacements	-	-	90,000	90,000	24,726
Epping Forrest gym works	-	-	20,000	20,000	-
Air conditioning multiple sites	-	-	35,000	35,000	-
LED Lighting	-	170,000	150,000	320,000	-
Provision for limited capacity	-	-	(308,000)	(308,000)	-
<b>Wholetime Station Modernisation</b>					
Southend WT FS Modernisation	-	310,000	290,000	600,000	-
Leigh WT FS Modernisation & Boilers/BMS	-	327,000	(327,000)	-	-
<b>Other Projects</b>					
OCAT	-	150,000	-	150,000	-
<b>B11705 - Asset Protection</b>	<b>160,000</b>	<b>957,000</b>	<b>(10,000)</b>	<b>1,107,000</b>	<b>24,726</b>
<b>TOTAL FORECAST 2024-25</b>	<b>1,332,676</b>	<b>8,924,554</b>	<b>(692,000)</b>	<b>9,565,230</b>	<b>24,726</b>

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### **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.

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

List of background documents – including appendices, hardcopy or electronic including any relevant link/s.

Appendices:

Outturn movement from Budget

Movement of YTD projected position to Expected Outturn

Movement from Budget Position to Outturn

Proper Officer: Chief Finance Officer to PFCC Fire & Rescue Authority

Contact Officer: Neil Cross

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