

**PROGRESS AGAINST REVENUE AND CAPITAL  
BUDGETS 2021/22****REPORT OF THE CHIEF FIRE OFFICER****For Information****1. PURPOSE OF REPORT**

- 1.1 To report progress against the approved 2021/22 Revenue and Capital Budgets as at 30 June 2021, and the associated forecast outturn.

**2. RECOMMENDATION**

- 2.1 That Members note the budget position as at 30 June 2021.

**3. REVENUE POSITION AT 30 JUNE 2021**

- 3.1 The Authority continues to operate in an uncertain financial environment as an individual one year Government grant allocation was made for 2021/22.
- 3.2 There is also increased uncertainty arising from:
- a further delay in proposed national funding changes relating to the Fair Funding Review and an increase in Business Rates Retention from 50% to 75%
  - expected changes to the mechanism of pension grant funding and associated costs.
- 3.3 The overall position on revenue budgets at the end of June 2021 is an underspend of £1.194m and the forecast outturn is an underspend of £0.532m.
- 3.4 This is an early assessment and the position will be kept under review with further updates reported to members during the year. As the underspend becomes more certain a strategy for using this amount will be developed as part of the 2022/23 budget process.
- 3.5 The forecast outturn position reflects:
- Employee Costs – underspend £0.511m
    - Approximately £0.450m underspend relates to under establishment across all pay groups, our workforce planning arrangements include recruit's courses in July and September 2021.
    - Forecasts include the impact of 19 additional firefighters recruited in July and a planned recruitment campaign for 16 additional retained firefighters in September 2021.
    - Approximately £0.068m underspend relates to the 1.5% firefighters pay award for 2021/22 when the budget assumed 2%.

- Green book pay is being forecast assuming a 2% pay award, negotiations are still underway.
- Premises Costs – on target
  - Costs are currently reporting high due, in part, to works in relation to maintenance which was delayed from 2020/21. Funding in relation to these projects will be drawn down from the Property Reserve (£0.196m) at year end. Other activity is ahead of budget profile.
- Supplies and Services – £0.028m underspend
  - Costs are currently reporting high due to expenditure which will be offset by the various grants (Covid, FireLink, New Dimensions, Grenfell etc.) at year end.
- Transport Costs – £0.005m overspend
  - Costs are reporting high due to some catch-up activity due to Covid related supplier delays in 2020/21.
- **Income** – on target
  - Brought-forward funds and receipt of grants are ahead of the budgeted forecast.
  - The allocation of grant income to offset any related overspends and the estimated carry-forward in relation to on-going activities in 2022/23 occurs at year end.

3.6 The position to the end of June and the forecast outturn is shown in more detail at Appendix 1.

#### **4 CAPITAL POSITION AS AT 30 JUNE 2021**

- 4.1 The capital programme for 2021/22 includes the planned projects for this financial year from the revised Asset Management Plan 2021-2036, together with those projects that slipped from 2020/21.
- 4.2 The capital budget for 2021/22 is **£2.308m**. Actual spend including commitments at June was £1.159m with a further £1.125m forecast by the end of the financial year. The forecast outturn position on the capital programme is therefore an underspend of **£0.024m**.
- 4.3 £0.015m of the forecast underspend relates to savings achieved at the procurement stage.
- 4.4 Schemes 1 to 4 relate to prior years, provision has been made to cover the final payments (£0.170m). Final costs for scheme 1 are £0.015m greater than the provision made due to minor variations.

- 4.5 Scheme 11 will be deferred to 2022/23 as the current lease has been extended for a further year.
- 4.6 All remaining schemes in the capital programme are on target at this stage with activity planned later in the year.
- 4.7 The financial position and progress for each project in the capital programme for 2021/22 is shown at Appendix 2.
- 4.8 There are no other significant issues to bring to Members attention at this time.

**IAN HAYTON**  
**CHIEF FIRE OFFICER**

**KAREN WINTER**  
**DIRECTOR OF CORPORATE SERVICES**

Comparison of Expected and Actual Expenditure and Income to 30th June 2021									APPENDIX 1
Chief Fire Officer / Treasurer				Status		Count		Month	
Progress Against Revenue Budget 2021/2022		Corrective action may be required		Adverse variance greater than +2%		3		3	
Actual Position as at:		Possibleirement/service enhancement		Favourable variance greater than -2%		4			
30th June 2021		On target		Variance between +/- 2%		2			
Ref	Description	Revised Budget 21/22 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000	Narrative	Correction Action	Anticipated Outcome	Forecast Outturn Variance £'000
1	Employees Costs	24,591	6,148	5,571	(576)	Includes pension costs which are offset by grant and topup funding. Occupancy levels below budgeted levels.	WT recruits started July Retained recruits starting September.	Forecast underspend at year end	(511)
2	Premises Costs	1,701	425	737	312	20/21 Commitments on maintenance projects delayed due to Covid	Funds will be drawn from reserves.	Expected to be on target at year end.	(1)
3	Supplies & Services	2,276	569	1,111	542	Some expenditure to be met from grant (Covid, FireLink, New Dimension, Grenfell etc.)	Grants are monitored separately	Grant funding utilised or carried forward as appropriate.	(28)
4	Transport Costs	709	177	534	356	Some backlogged costs from delays due to Covid.	Underspend in some areas such as fuel will be netted off against additional costs.		5
5	Support Services	413	103	16	(87)	Underspend due to timing of invoices		Expected to be on target at year end.	2
6	Income	(1,913)	(1,225)	(2,536)	(1,310)	Includes pension grant £1.4m	Grant monitoring undertaken separately	Pension grant to offset Employee Pension Costs (WT). Excess income offsets excess expenditure. Unutilised funding is carried forward in line with future activity.	0
	<b>Sub Total Operational Budgets</b>	<b>27,776</b>	<b>6,197</b>	<b>5,434</b>	<b>(763)</b>				<b>(533)</b>

Ref	Description	Revised Budget 21/22 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000	Narrative	Correction Action	Anticipated Outcome	Forecast Outturn Variance £'000
7	Capital Finance Costs	838	210	(18)	(227)	Includes provision for servicing revenue costs of borrowing for Capital Programme and approved contribution to capital.	The Capital Programme is monitored separately	Includes contributions to the Capital Phasing Reserve	1
8	S31 Grants	(1,869)	(1,869)	(2,072)	(203)	Funding grants		Outturn variance is forecast to be nil as level of section 31 grants will reflect actual business rates income.	(0)
9	Contribution from Reserves	(491)	0	0	0	Contribution from Collection Fund Reserve, Budget Support Fund & Contribution from Reserves		Appropriate adjustments are made at the year end.	0
	<b>TOTALS</b>	<b>26,254</b>	<b>4,538</b>	<b>3,344</b>	<b>(1,194)</b>				<b>(532)</b>

Comparison of Expected and Actual Expenditure and Income to 30th June 2021										APPENDIX 2	
Chief Fire Officer / Treasurer								Status	Count		
Progress Against Capital Budget 2021/2022				Corrective action may be required			Adverse variance greater than +2%		1		
Actual Position as at:				Possible virement/service enhancement			Favourable variance greater than -2%		18		
30th June 2021				On target			Variance between +/- 2%		2		
Ref	Description	Full cost of schemes £'000	Revised Budget 21/22 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
1	Queens Meadow Complex	12,376	0	(88)	103	15	15	Final works delayed from March 2020 due to COVID restrictions. Forecast subject to minor variations, withholding final payment awaiting remedial repairs.	Provision made. Project to be completed 21/22	103	15
2	Stockton Fire Station	1,094	0	(43)	0	(43)	(43)	Final works delayed from March 2020 due to COVID restrictions. Awaiting final statement to confirm costs	Provision made. Project to be completed 21/22	43	(0)
3	Guisborough Fire Station	306	0	(26)	0	(26)	(26)	Only retention to be paid. Awaiting final invoice.	Provision made. Project to be completed 21/22	26	(0)
4	Loftus Fire Station	232	0	(12)	3	(9)	(9)	Only retention to be paid. Awaiting final invoice.	Provision made. Project to be completed 21/22	12	(0)
5	QMC Training Yard							Works being commissioned from original site contractor.	Project to be completed 21/22		
6	Foam Capture System	400	400	0	87	87	(313)			400	0
6	Foam Equipment	200	200	0	0	0	(200)			200	0
7	Fire Helmets	135	135	0	124	124	(11)	Procurement complete, awaiting distribution to staff.	Project to be completed 21/22	124	(11)
8	Water Tenders (Bodies only x 7)		925	0	921	921	(4)	Vehicles complete - awaiting final inspections.	Project to be completed 21/22	921	(4)
9	Rescue Boat	35	35	0	0	0	(35)	Procurement underway.		35	0
10	Specialist Vehicle	15	15	0	0	0	(15)	Procurement underway.		15	0
11	FDO Resilience Vehicle	23	23	0	0	0	(23)	Extending current lease for a further year.	Defer requirement to 22/23	0	(23)
12	Mini Bus	26	26	0	0	0	(26)			26	0
13	Small Vans x 3	56	56	0	0	0	(56)			56	0

Ref	Description	Full cost of schemes £'000	Revised Budget 21/22 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
14	Vehicle Trackers	33	33	0	0	0	(33)	Liasing with CDDFRS.		33	0
15	Departmental Vehicles x2	30	30	0	30	30	(0)	Procurement complete via framework agreement. Awaiting delivery.	Procurement of 4 vehciles Project to be completed 21/22	30	(0)
16	Electric Charging Points	65	65	0	0	0	(65)	Staff training being organised.		65	0
17	HR Rostering System	200	177	0	49	49	(128)	Procurement complete, tender awarded. Initial build underway.	Project to be completed 21/22	177	(0)
18	Cloud Technology & Information Systems	50	50	0	0	0	(50)			50	0
19	Microsoft MPSA	24	24	0	0	0	(24)	Planned for January 2022.		24	0
20	Fleet Management System	50	50	0	0	0	(50)			50	0
21	Fire appliance CCTV upgrade	63	63	0	12	12	(51)	Delayed - awaiting completion of the water tenders.	Project to be completed 21/22	63	0
	<b>TOTAL ALL SCHEMES</b>	15,413	2,308	(170)	1,329	1,159	(1,149)			2,453	(24)