

**PROGRESS AGAINST REVENUE AND CAPITAL  
BUDGETS 2021/2022****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 31 December 2021, and the associated forecast outturn.

**2. RECOMMENDATION**

- 2.1 That Members note the budget position as at 31 December 2021.

**3. REVENUE POSITION AT 31 DECEMBER 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. This has recently been confirmed as the position for 2022/23.
- 3.2 There is also increased uncertainty arising from:
- a further delay in proposed national funding changes and the impact of the recent spending review.
  - expected changes to the mechanism of pension grant funding and associated costs.
- 3.3 The overall position on revenue budgets at the end of December 2021 is an underspend of £0.388m. The forecast outturn is an underspend of £0.372m, which is slightly lower than the previous forecast underspend of £0.475m. The reduction in the underspend means the transfer to the Budget Support Fund will be slightly lower than forecast, although this will not have a significant impact on the level of this reserve.
- 3.4 This is an assessment of information available at this time and the position will be kept under review.
- 3.5 The forecast outturn position reflects:
- Employee Costs – underspend £0.529m
    - The forecast underspend relates to under establishment across all pay groups, our workforce planning arrangements include further recruits courses for retained as well as wholetime (12) in January 2022

- The underspend also includes approximately £79k from pay award being lower than the 2% forecast i.e. 1.5% firefighters and 1.75% for Green book pay –which is still to be formally confirmed.
- Premises Costs – £0.032m overspend
  - 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 Reserve at year end.
  - There are significant forecast costs associated with the rise in utility prices across gas and electric. These are currently offset by a one off business rates rebate relating to multiple years.
  - The budget for 2022/23 included increased funding of £32k for Utility costs and this will continue to be reviewed in 2022/23.
- Supplies and Services – £0.023m overspend
  - 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.
  - Additional Covid funding has been made available, the Brigade are seeking a further £0.052m to offset our support to the NHS.
- Income – £0.110m under achieved
  - The forecast outturn reflects a reduction of £0.048m on the CIC SLA due to changes in service provision throughout the year and reduction in other income streams owing to current economic conditions.

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

#### **4 CAPITAL POSITION AS AT 31 DECEMBER 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 December was £1.690m with a further £0.148m forecast by the end of the financial year. The forecast outturn position on the capital programme is therefore an underspend of **£0.470m**.
- 4.3 The underspend of £0.470m at the 31 March 2022 is made up of:
- £0.183m relating schemes which are on-going in future years
  - £0.356m relating to deferred schemes
  - £0.070m net overspend on schemes which predominantly relates to schemes 1 to 4 which were brought forward from 20/21. A funding strategy to meet these additional costs will be worked up once the final position is known at year end.

- 4.4 Schemes 6, 9, 11, 14, 16 will be deferred to 2022/23, there are various reasons including the extension to existing lease agreement, lack of resources and supplier delays due to Covid, extensions to planning approval timelines and delays in the car market due to the shortage of semiconductor computer chips.
- 4.5 The financial position and progress for each project in the capital programme for 2021/22 is shown at Appendix 2.
- 4.6 There are no other issues to bring to Members attention at this time.

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

**KAREN WINTER**  
**ASSISTANT CHIEF FIRE OFFICER**  
**STRATEGIC PLANNING AND RESOURCES**

Comparison of Expected and Actual Expenditure and Income to 31st December 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%		2		9	
Actual Position as at:		Possibleirement/service enhancement		Favourable variance greater than -2%		1			
31st December 2021		On target		Variance between +/- 2%		6			
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	18,443	17,666	(777)	Includes pension costs which are offset by grant and topup funding. Occupancy levels below budgeted levels.	WT recruits started July Retained recruits started September with further 12 starting Jan 22	Forecast underspend at year end includes assumed 1.75% green book pay award	(529)
2	Premises Costs	1,701	1,275	1,389	113	20/21 Commitments on maintenance projects delayed due to Covid	Funds will be drawn from reserves.	Expected to be on target at year end.	32
3	Supplies & Services	2,276	1,707	2,028	321	Some expensidture to be met from grant (Covid, FireLink, New Dimension, Grenfell etc.)	Grants are monitored separately	Grand funding utilised or carried forward as appropriate.	23
4	Transport Costs	709	532	553	21	Some backlogged costs from delays due to Covid.	Underspend in some areas such as fuel will be netted off against additional costs.		(9)
5	Support Services	413	310	128	(182)				1
6	Income	(1,913)	(1,435)	(1,319)	115	Includes pension grant £1.4m Changes to CIC SLA in year will lead to a shortfall of £48k income	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.	110
	<b>Sub Total Operational Budgets</b>	<b>27,776</b>	<b>20,832</b>	<b>20,444</b>	<b>(388)</b>				<b>(372)</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	629	629	0	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	0
8	S31 Grants	(1,869)	(1,869)	(1,869)	0	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>19,592</b>	<b>19,204</b>	<b>(388)</b>				<b>(372)</b>

## Comparison of Expected and Actual Expenditure and Income to 31st December 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%		4			
Actual Position as at:		Possible virement/service enhancement				Favourable variance greater than -2%		16			
31st December 2021		On target				Variance between +/- 2%		1			
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	47	0	47	47	Final works delayed from March 2020 due to COVID restrictions. £28k retainer and awaiting final statement to confirm costs	Provision made. Project to be completed 21/22	47	47
3	Guisborough Fire Station	306	0	(26)	10	(16)	(16)	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)	7	(5)	(5)	Only retention to be paid. Awaiting final invoice.	Provision made. Project to be completed 21/22	12	(0)
5	QMC Training Yard Foam Capture System	400	400	87	215	302	(98)	Works being commissioned from original site contractor.	Project to be completed 21/22 Works also include Training Rig & FBTs	302	(98)
6	Foam Equipment	200	200	0	0	0	(200)		Defer requirement to 22/23	0	(200)
7	Fire Helmets	135	135	124	0	124	(11)	Procurement complete, awaiting distribution to staff.	Project completed 21/22 Underspend achieved	124	(11)
8	Water Tenders (Bodies only x 7)		925	107	818	925	0	Vehicles complete - awaiting final inspections.	Project to be completed 21/22	925	0
9	Rescue Boat	35	35	0	0	0	(35)	Procurement underway.	Defer requirement to 22/23	0	(35)
10	Specialist Vehicle	15	15	1	10	11	(4)	Procurement underway.	estimated underspend	11	(4)
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	28	28	2		estimated overspend	28	2
13	Small Vans x 3	56	56	0	47	47	(9)		estimated underspend	47	(9)

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.	Defer requirement to 22/23	0	(33)
15	Departmental Vehicles x2	30	30	32	0	32	2	Procurement complete via framework agreement. Awaiting delivery.	Procurement of 4 vehciles complete	32	2
16	Electric Charging Points	65	65	0	0	0	(65)	Staff training being organised.	Defer requirement to 22/23	0	(65)
17	HR Rostering System	200	177	57	27	84	(93)	Procurement complete, tender awarded. Initial build underway.	Project on-going phased milestones - will run into 22/23	84	(93)
18	Cloud Technology & Information Systems	50	50	9	0	9	(41)		Carry-forward on-going annual costs 2022-2024	10	(40)
19	Microsoft MPSA	24	24	0	24	24	0	Planned for January 2022.		24	0
20	Fleet Management Stystem	50	50	0	50	50	0			50	0
21	Fire appliance CCTV upgrade	63	63	1	13	14	(49)	Delayed - awaiting completion of the water tenders.	Project on-going phased works aligned to appliances - will run into 22/23	13	(50)
	<b>TOTAL ALL SCHEMES</b>	15,413	<b>2,308</b>	338	1,352	<b>1,690</b>	(618)			1,838	(470)