
REPORT AUTHOR: ASSISTANT CHIEF OFFICER / FRA TREASURER
SUBJECT: 2021/22 REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING as at 30th June 2021

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Background Papers: 2021/22 FRA Budget Setting Papers February 2021

Implications (tick ✓):

LEGAL		FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)
	New	✓	

Any implications affecting this report are noted at the end of the report.

PURPOSE:

To inform the Fire and Rescue Authority of the forecast year-end budget monitoring position as at 30th June 2021.

Recommendations:

1. That the FRA consider and comment on the updates provided within this report.
2. That the FRA consider and agree the request in para 3.4.1 to slip the capital schemes into 2022/23.
3. To draw down the Pay Earmarked Reserve to offset the in-year forecast overspend due to the unbudgeted pay award in para 2.4.2.

Executive Highlights Summary

- The **CSR** review was announced in late November 2020 which led to a one-year settlement for 2021/22. The new CSR will take place in autumn 2021 and it is anticipated that this will be a 3 year settlement.
- There is a potential cost relating to a 1.5% pay award for green book staff but this is yet to be agreed. The 1.5% for Grey Book / operational staff for July 2021 has been built into the forecast in table 2.
- The service has been given a grant of £35.4k to fund additional costs relating to Sergeant/McCloud Fire Fighter Pension admin costs in later years. It is expected these costs will be incurred over a number of years and so any unused grant this year will be carried forward into future years.

1. Introduction

- 1.1 On 11 February 2021, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2021/22 of £31.773m and a Capital Programme of £1.038m.

2. Revenue Budget Monitoring

- 2.1 The Revenue Budget efficiency savings for 2021/22 can be found in Appendix 1. The budgets have been reduced for these areas and will be monitored during the year.
- 2.2 The funding of the 2021/22 Revenue Budget is by way of Government Funding £8.057, local Business Rates redistribution £2.405m and Council Tax of £22.193m and the use of the collection fund reserve of £254k. These are offset by a Collection Fund deficit of £1.136m which has been reported by our Local Authority partners.
- 2.3 **Forecasting Outturn:**
- 2.3.1 Tables 1 and 2 below are populated during the year in line with the spreadsheet returns that Corporate Management Team (CMT) members submit to the Finance Team and through the meetings that Finance Officers have with CMT members. The forecast outturn positions are as accurate as the information received from each CMT member.

2.3.2 Table 1 below details the current budget excluding salary budgets, for each CMT service area. The forecast year-end outturn is shown in column three.

2.3.3 **Table 1: 2021/22 Revenue Budget Forecast Outturn (excluding salary budgets)**

Title	Current Budget £	F/cast Yr-End Outturn £	Variance £	RAG status (see note below**)
Strategic Management	308,400	308,400	0	Green
Assistant Chief Officer	2,236,700	2,236,700	0	Green
Head of Response	1,101,800	1,101,800	0	Green
Head of Training and Assurance	427,300	427,300	0	Green
Head of Governance and Asset Management	676,600	676,600	0	Green
Head of Prevention and Protection	96,800	96,800	0	Green
Head of Information Communications Technology	1,230,700	1,230,700	0	Green
Head of Human Resources	254,100	254,100	0	Green
Total	6,332,400	6,332,400	0	

***RAG Status: Red would identify where there is a large overspend equal to or greater than £100,000 and/or a key service aspect was not being delivered. Amber would identify where there is a possibility of an overspend and/or a key service aspect may not be delivered. It may be that there are action plans in place to address an issue, where until they are successful it is flagged as Amber. Green identifies where service delivery is being performed and as above, where there are underspends. Underspends are not necessarily always green, if for example, there was a key service aspect not being delivered causing the underspend, it would be shown as Red.*

2.3.4 There are currently no variances to report on within the non-salary areas.

2.3.5 With the salary budgets being such a large proportion of the overall budget, the split from the budgets above is justified.

Table 2: 2021/22 Salary (including on-costs) Budget Forecast Outturn

Category	Current Budget £	Forecast year end outturn £	Variance £	RAG status (see note below**)
Whole Time	15,861,400	16,013,400	152,000	Green
Control	1,001,600	1,013,600	12,000	Green
Retained	2,003,200	2,033,200	30,000	Green
Non operational	6,392,000	6,392,000	0	Green
Agency	122,700	122,700	0	Green
Grand Total	25,380,900	25,574,900	194,000	

The current forecast above does not include the potential non-operational salary costs of a 1.5% increase as this is yet to be agreed at a national level. Should this offer be accepted this would lead to a budget pressure of £94k.

2.4 **Total Forecast Outturn, Salary and Non Salary:**

2.4.1 The total forecast variance at year end including both the non-salary figure in Table 1 above and for pay and on costs, including agency staff shown in Table 2, is currently expected to be £0k.

2.4.2 It is recommended to draw down funds from the earmarked reserve that has been set up for agreed and potential pay awards in order to offset the unbudgeted in-year pay award. This will “reset” the pay budget and forecasts to nil (£0k) for the next FRA Budget Monitoring report.

2.4.3 The full year cost of the pay award for operation staff will be £260k, this will be built into the base budget for 2022/23 as part of the budget setting process. Should there be a pay award for non-operational staff agreed further in the year (£94k) then this will also be included in the base budget for the 2022/23 budget setting process.

3. Capital Programme Monitoring

3.1 Table 3 below is the 2021/22 Capital Programme. The Red, Amber, Green (RAG) status indicates how well the schemes are progressing (Green being on target for year-end completion within budget; Amber indicating possible slippage or overspend; and Red indicating actual slippage/overspend or deletion of the scheme).

3.2 It should be noted that the Vehicles, ICT and HR System Projects and Property Capital Works Programmes need to be treated with fluidity as the costs and expected completion dates can vary considerably and span across financial years. However, in accordance with the financial regulations, any significant changes of expenditure over 10% of an approved capital scheme need to be reported back to the FRA.

3.3 Table 3: The 2021/22 Capital Programme

CMT Area	Bedfordshire Fire and Rescue Authority Capital Programme	Capital Budgets 2021/22 £000's	RAG Status
HGAM	<u>Fleet:</u>		
	Vehicles	85	G
	BA Set, Cylinders and Ancillaries	450	Slip into 2022/23
	RP Portable Lighting	50	G
	Methods of Entry Kit	25	G
	Fire Ground Radio	112	G
	<u>ICT Projects:</u>		
	IT Developments		
ICT	a. Migration from Unified Comms on premise to Microsoft Teams Cloud	80	G
ICT	b. Endpoint Refresh with Desktop & Laptop Deployment	84	G
ACO	Capital Works - Service Wide (lighting replacements, CCTV, fire protection, doors & windows, security gates, etc) - All locations	52	G
ACO	Bay Floor replacements (Bedford, Biggleswade, Potton, Shefford, Toddington)	65	G
HHR	Fitness Equipment Expenditure	5	G
HGAM	Compressors - Dunstable and Bedford	30	G
	TOTAL	1,038	

3.4 Capital Programme – Withdrawals, Slippage, Additions or Variations:

3.4.1 **Slippage:** The Head of Governance and Assets Manager (HGAM) has requested that the BA Set, Cylinders and Ancillaries be slipped into 2022/23. The HGAM has assessed the situation and Due to covid-19 the release of new technology has been delayed and only one of the three major suppliers has currently released upgrades to this equipment. Further to this

West Midlands FRS are placing a framework together and we have expressed our intentions to maximise collaboration in order to achieve best value, this is due for release Q2 2022.

3.4.2 **Additions:** None to report

3.4.3 **Variations:** None Report

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Savings and Efficiencies 2021/22

CMT Area	Savings/Efficiencies	£'000s 2021/22	RAG Status
ACO	Income from Property Rents & Collaboration	5	Green
ACO	Energy Management Savings (Insulation & works following bid for grant)	5	Green
CFO	Change of 4th Area Commander post to Green Book Head of Service (subject to natural turnover)	15	Green
CFO	Team review/restructure	13	Green
CFO	Efficiencies from Operational Review	64	Green
HGAM	Income from Workshops Non business Activity	25	Green
HRes	Post sharing - work on Fire Investigation ISO17020 project (part time post shared with Cambs & Herts FRS)	10	Green
ICT	Freedom of Information and Customer Complaints software	6	Green
ICT	Corporate Telephony	20	Green
ICT	Saving from cessation of software, linked with new purchase of GIS and Data modelling solution	18	Green
		181	

* NB - All Savings have been removed from 2021-22 Base Budget