

Report title: 2021/22 Essex County Fire and Rescue Service Budget Update	
Report to: Essex Police, Fire and Crime Panel	
Report author: Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (PFCCFRA)	
Date: 10 December 2020	For: Noting and comment
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County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 This report is intended to provide a further update on progress in setting the 2021/22 Budget.

2. Recommendations

- 2.1 That the Police, Fire and Crime Panel notes the latest position on the 2021/22 Budget.

3. Context/Summary

- 3.1 A Police, Fire and Crime Panel Budget Working Party meeting was held on 25th November 2020, further to its meeting on 9th October 2020 and the Police, Fire and Crime Panel meeting of 22nd October 2020.

- 3.2 At the November meeting, it was highlighted that Essex County Fire and Rescue Service (ECFRS) was budgeting in 2021/22 for a funding impact of £1.6m as a result of Council Tax pressures relating to COVID-19. This relates to:

- i. £0.7m from removal of previously expected growth in the tax base (1.5% growth usually budgeted)
- ii. £0.5m estimated Council Tax deficit for 2020/21 based on £1.5m phased over three years
- iii. £0.4m from removal of the Council Tax surplus previously expected

- 3.3. During the meeting the following key points were also discussed:

- i. The key financial movements between the Budget 2020/21 and the draft Budget 2021/22.
- ii. The Medium Term Financial Strategy (MTFS) over four years.
- iii. The Capital Programme for 2021/22.
- iv. The next steps to be taken to finalise the 2021/22 Budget.

- 3.4. The Chancellor's Spending Review was also announced on 25th November 2020,

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after the Police, Fire and Crime Panel Budget Working Party meeting. Therefore, the budget paper presented at the Working Party meeting did not take account of any of the announcements that were made in the Spending Review. This paper is based on the information shared at the Working Party meeting.

3.5. The key assumptions in Figures 1-3 below include:

- i. Council Tax Precept increase of 1.99% in 2021/22.
- ii. Local Government Settlement Agreement of flat cash for 2021/22.
- iii. 2% pay inflation each year.
- iv. The conversion of three day-crewed stations to on-call in 2021/22. Wholetime firefighter support will be required on conversion.

3.6. The key announcements from the Spending Review were:

- i. A public sector pay freeze for 2021/22. It should be noted that pay in the fire sector is determined through negotiations with the National Joint Council (NJC).
- ii. 75% of Collection Fund deficits in 2021/22 to be funded by the Government. The remaining deficit will be spread over three years.
- iii. Local authorities will be able to increase Council Tax bills by 2 per cent without needing to hold a referendum.

3.7 As stated in 3.4 above, the Spending Review announcements are not included in Figures 1-3.

4. Key Financial Movements Budget 2020/21 to Draft Budget 2021/22

4.1 The key financial movements between the Budget 2020/21 and the draft Budget 2021/22 are shown in Figure 1 below.

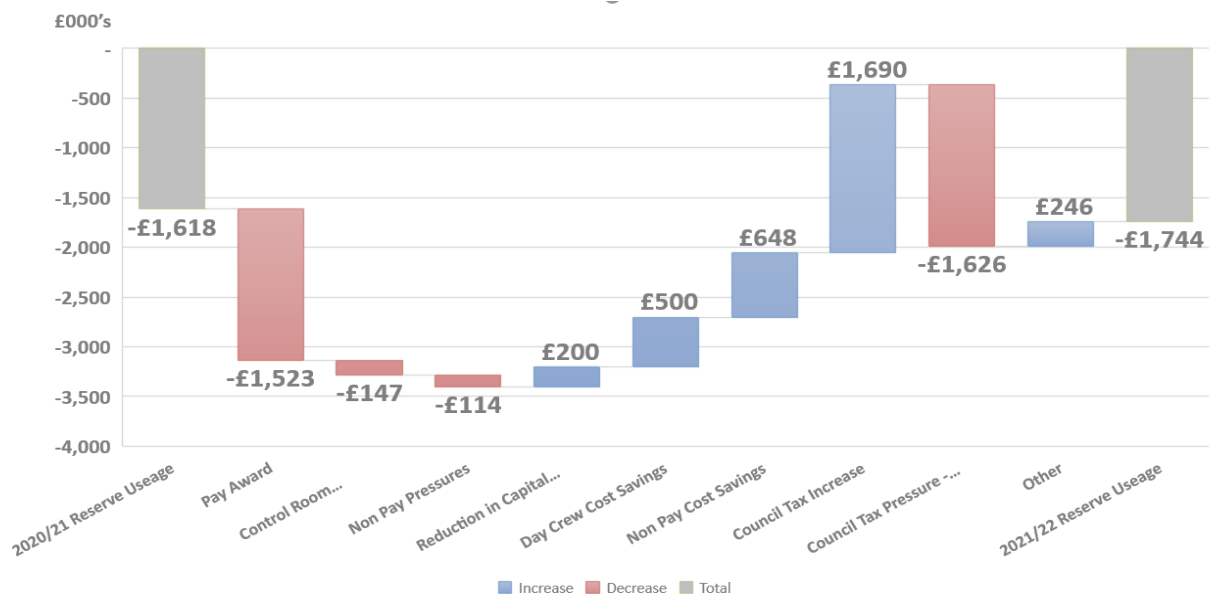


Figure 1 Essex Fire and Rescue Services Key Financial Movements Budget 2020/21 to Budget 2021/22 November 2020

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5. Medium Term Financial Strategy (MTFS)

5.1 The MTFS has been updated and shows the following position as laid out in Figure 2 below.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
Annual (Shortfall) / Surplus Reported in September 20	(2.0)	(2.9)	(3.5)	N/A	(8.4)
Budget Requirement - before Savings & Efficiencies	76.4	76.6	77.4	78.8	309.2
Strategic Change Savings & Efficiencies Plan (S&EP) - <u>cashable</u>	(1.3)	(0.7)	(0.2)	(0.2)	(2.6)
Net Budget Requirement	75.1	75.9	77.2	78.6	306.8
Total Funding	(73.3)	(74.5)	(75.1)	(76.8)	(299.8)
Annual (Shortfall)/Surplus	(1.7)	(1.4)	(2.1)	(1.8)	(7.0)

Figure 2 Essex Fire and Rescue Services MTFS November 2020

5.2 The key changes to the 2021/22 MTFS since the presentation to the Panel in October include:

- i. £1.3m improvement due to the Local Government Finance Settlement being flat cash instead of a 5% reduction.
- ii. £0.6m of additional cashable savings identified by ECFRS.
- iii. (£1.6m) deterioration in Council Tax funding due to the impacts of COVID-19.

5.3 The cashable savings of £1.3m in 2021/22 include:

- i. £0.6m non pay savings (predominantly in ICT / Training & Travel)
- ii. £0.5m day crew conversions
- iii. £0.2m reduced capital finance charges

5.4 Other issues to consider and not yet reflected in the MTFS include:

- i. A finalised position on Council Tax and Business Rate collections.
- ii. Further cashable and non-cashable savings.
- iii. Impact of the Spending Review as stated earlier.

6. Capital Programme 2021/22

6.1 The Capital Programme for 2021/22 is reported in Figure 3 below:

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	£
Vehicles	
Appliances (Pumping)	2,200,000
Refurb of ICU internals	30,000
Light Vehicles	190,000
Officers Cars (Principal Officers)	80,000
Specialist Rescue Vehicle	100,000
Light Vans	191,000
Ladders	94,500
Total - Vehicles	2,885,500
Operational Equipment	
BA Contamination machine	40,000
Smoke Blocking Curtains	30,000
Body Worn CCTV - fleci duty officers	30,000
Fog Spikes - Temperature contamination equipment	20,000
Total - Operational Equipment	120,000
ICT Equipment	
Rolling Refresh on Devices	130,000
Rolling Refresh on phones	100,000
Virtual servers (Reserved instances)	25,000
ICCS/CAD Replacement - Control Project	692,790
Total - ICT Equipment	947,790
Land & Buildings	
Lexden Workshops Relocation	500,000
Total - Land & Buildings	500,000
Asset Improvement Works	
Asset Improvement Works - Shoeburyness	1,330,000
Asset Improvement Works - Training Facilities	968,600
Total - Asset Improvement	2,298,600
Asset Protection	
Asset Protection	1,700,000
Asset Protection	1,700,000
TOTAL	8,451,890

Figure 3 Essex Fire and Rescue Services Capital Programme 2021/22 November 2020

7. Next Steps

7.1 The next steps to be taken to finalise the 2021/22 Budget include:

- i. Final review of the budget with the ECFRS Service Leadership Team
- ii. Finalise Council Tax and Business Rate Collection Fund positions
- iii. Update the budget following the outcome of the Chancellor's Spending Review
- iv. Review the Capital Programme and consider affordability over the medium term