



## **NORTHAMPTONSHIRE POLICE, FIRE & CRIME PANEL**

**14 APRIL 2022**

### **NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY**

#### **FIRE - FINANCIAL UPDATE 2021/22**

#### **REPORT BY THE CHIEF FINANCE OFFICER**

##### **Purpose and Context**

1. This report sets out at a high level, a financial update on the forecast financial outturn for the period 1 April 2021 to 31 March 2022.

##### **2020/21 Audited Statement of Accounts**

2. The external audit of the 2020/21 Statement of Accounts has concluded and an unqualified audit opinion issued. They are published on the OPFCC website.

##### **Forecast Summary Revenue Outturn as at 31 March 2022**

3. The forecast outturn is attached at Appendix A. It is based on ten months of actual and two months of estimated costs and at this point there is a forecast underspend of £71K. This forecast is subject to change, particularly in the areas of estates and facilities where essential works have been brought forward into 2021/22 although work could be completed either side of the year end.

4. Variances of note include:

##### **Wholetime/Retained firefighters**

Wholetime costs reflect the unbudgeted nationally negotiated pay award which has been funded from the PFCC contingency. Wholetime recruitment has taken place and a number of retained firefighters have been appointed. As a result, there are vacancies

in retained firefighters, therefore, additional overtime costs have been factored into the forecast to reflect cover for sickness and vacancies.

### **Corporate Budgets**

Some costs are lower than anticipated such as Enabling Services Charges, Pension Administration and Insurance charges.

### **Engineering and Stores**

Additional fuel costs have impacted on engineering and stores, which is now showing an overspend.

### **Estates and Facilities**

Rates rebates have been received for a number of the Fire stations. As stated earlier in the report, whilst some essential repair and maintenance activities have prudently been estimated in 2021/22, it is possible not all will be completed until the next financial year.

5. Additional government grant has been received for business rates and council tax income guarantee in March 2022. Any excess above that budgeted will be transferred to the funding reserve and used to mitigate deficits on the Council Tax and business Rates Collection Funds in 2022/23 and future years as set out in the precept report.
6. The Fire budget is delegated to the Chief Fire Office. The conditions of delegation are set out in a formal budget letter from the PFCC to the Chief Fire Officer which sets out a number of requirements and expectations, including that the Chief Fire Officer will manage the resources within his delegated budget. Overspends could be taken from the following year's budget allocation.
7. The PFCC is supportive of the Chief Fire Officer managing within his budget, therefore, he proactively discusses the use of any underspends with the Chief Fire Officer after the end of the financial year when the final position is known.
8. The PFCC scrutinises the budget monitoring throughout the year and receives regular updates at the Accountability Board.
9. The impact of Brexit and COVID has affected the delivery of the Capital Programme and it is envisaged a number of projects will slip into 2022/23.
10. Following representation by the PFCC in December 2021, in March 2022, NCFRA were awarded £500K special grant funding from the Fire Minister towards the costs of the legacy capital programme. The PFCC is grateful for the Minister's support and this funding will be applied in the most effective way to minimise future revenue costs.

11. Since January 2019, the PFCC has actively lobbied for additional funding and/or the ability to repurpose funding for NCFRA at every opportunity. By March 2022, in addition to securing precept flexibility, this proactive approach has provided Northamptonshire Fire with almost £4.8m since the date of the governance transfer. This support has been invaluable in ensuring a resilient level of reserves could be established and supporting essential investment in the service.

### **Recommendation**

12. That the Police, Fire and Crime Panel considers the financial update and forecast outturn.