



**MEETING: FIRE AUTHORITY 24 JUNE 2024**

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**SUBJECT: CAPITAL PROGRAMME OUTTURN 2023/24 AND FIRST QUARTERLY  
REVIEW 2024/25**

**JOINT REPORT OF THE CHIEF FIRE OFFICER / CHIEF EXECUTIVE (THE  
CLERK TO THE AUTHORITY) AND THE DIRECTOR OF FINANCE, ESTATES  
AND FACILITIES**

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**1. INTRODUCTION**

- 1.1 The original Capital Programme for 2023/24 was approved at the Authority meeting on 13 February 2023.
- 1.2 The purpose of this report is to present the capital outturn position for 2023/24, highlighting the main variances from the 2023/24 Capital Programme Third Review presented to Members in January 2024.
- 1.3 The report also reflects the 2023/24 outturn position and any other changes needed to the original Capital Programme for 2024/25 which was approved on 19 February 2024.
- 1.4 Progress on some projects within the Programme, as reported previously, have been either impacted or delayed by external factors including the ongoing impacts of the pandemic, the EU exit and issues with the supply of labour, plant and materials which is being experienced in some areas of the Authority's activities. Where this is the case for the changes required to the Programme, it is indicated appropriately.

**2. OUTTURN**

- 2.1 The outturn position on expenditure and resources for 2023/24 is summarised overleaf:

	Third Review	Outturn
	<b>Revised Estimate (January)</b>	
	<b>£</b>	<b>£</b>
Expenditure - Continuing Projects 2023/24	12,385,387	8,982,790
- Projects Commencing 2023/24	632,589	139,995
- Vehicle Replacement Programme	1,140,075	679,021
	<b>14,158,051</b>	<b>9,801,806</b>
Resources - Capital Reserve	12,853,854	9,436,174
- Revenue Contribution to Capital	1,100,000	250,000
- External Funding – SCC Contribution	15,646	11,389
- External Funding – NFRS Contribution	140,123	41,592
- New Dimensions Grant	5,445	5,445
- Fire Safety Protection Fund Grant	42,983	45,806
- Safer Streets Grant	0	11,400
	<b>14,158,051</b>	<b>9,801,806</b>

- 2.2 The Authority approved a Capital Programme for 2023/24 of £14,183,712 which was subsequently revised to £14,158,051 during the year. This was reported to Members in January. At the end of the financial year, the Capital Programme outturn reflects a reduction in spending of £4,356,245 from £14,158,051 to £9,801,806, due to the following variations:
- 2.3 A net underspend of £30,457 has arisen from a number of schemes completed during 2023/24. The main variations are listed below:
- £13,210 overspend on smoke detectors due to an increase in demand and a reduced budget for 2023/24;
  - £36,310 underspend on replacement telephony system by repurposing existing equipment;
  - £2,540 overspend on new hardware;
  - £11,501 additional underspend on Telent Mobs Hardware Refresh;
  - £6,414 underspend on operational equipment replacement;
  - £5,988 overspend on foam and firefighting equipment due to additional requirements; and
  - A net overspend of £2,031 across a number of other projects.
- 2.4 Since the third review, there has been an addition of £11,400 to the Capital Programme for 2023/24:
- Additional ICT hardware equipment is needed to support the Safer Streets initiative. This will be funded from the in year Safer Streets grant.
- 2.5 When setting the Capital Programme in February, it was expected that vehicles ordered would not be delivered before the end of the financial year and therefore the remaining small fleet budget was slipped in to 2024/25. The vans were delivered into

the service before the end of March so there has been a need to reverse £71,186 of the slippage.

2.6 There has been further slippage of £4,408,374 into 2024/25 on a number of projects as set out below:

**Estates - £892,987**

- Genous Security System (£17,749) – the final payment will be made in 2024/25.
- MRU Development (£4,257) – this project is complete but there are outstanding legal costs that will need to be paid in 2024/25.
- Hebburn Station (£2,359,787) – the final stage payments will be made in 2024/25.
- USAR Rig Refurbishment (£150,000) – a co-ordinator is to be appointed to progress with the project in 2024/25.
- Fuel Management System Replacement (£60,000) – viable procurement options are currently being reviewed.
- Fire Safety Accommodation (£1,194) – the final works will be completed in 2024/25.
- Female Firefighter Facilities (£200,000) – the work will commence in 2024/25.
- BTC Developments (£850,000) – the works will commence in 2024/25

**ICT - £185,561**

- DCS / Life X (£185,561) – the multi-year project is on target and the final milestone payment will be made in 2024/25.

**Operational Equipment - £3,001**

- Operational Equipment Replacement (£3,001) – this is required to purchase additional equipment and protective clothing resulting from implementation of the recently approved Community Risk Management Plan (CRMP).

**Technical Service Centre (TSC) Non Vehicle Replacement Programme - £45,000**

- Roller Brake Tester (£45,000) – this will commence in 2024/25.

**Vehicle Replacement Programme - £531,825**

- Welfare Vehicle (£40,000) – currently developing specification and will be delivered in 2024/25.
- Additional Appliance (£302,458) – currently seeking the best route to market.
- Appliance Replacement Programme (£189,367) – the additional ten new fire appliances have all become operational in 2023/24 but some of the final stage payments will not be made until early in 2024/25.

2.7 The projects that have slipped in to 2024/25 were to be financed from Reserves, Section 31 Grant and external contributions. Adjustments have been made as part of the final accounts year end process to reflect this position and this funding will now be used in 2024/25 instead.

### 3. CAPITAL PROGRAMME FIRST REVIEW - 2024/25

3.1 The detailed Capital Programme for 2024/25 is set out at Appendix A, and is summarised below:

	<b>Original Estimate (February) £</b>	<b>Revised Estimate (June) £</b>
Expenditure - Continuing Projects 20223/24	4,438,000	6,911,360
- Projects Commencing 2024/25	4,822,191	3,448,879
- Vehicle Replacement Programme	1,630,000	2,090,639
	<b>10,890,191</b>	<b>12,450,878</b>
Resources - Home Office Section 31 Grant (ESN)	0	1,046,811
- Capital Reserve	7,549,600	8,640,150
- Revenue Contribution to Capital	500,000	500,000
- Mobilisation Smoothing Reserve	2,840,591	2,138,879
- Fire Protection Grant	0	28,000
- External Funding – SCC Contribution	0	4,257
- External Funding – NFRS Contribution	0	92,781
	<b>10,890,191</b>	<b>12,450,878</b>

3.2 The Capital Programme has increased by £1,560,687 from £10,890,191 (as approved by Members in February 2024) to £12,450,878. This is made up as follows:

Additional Slippage from 2023/24 as reported	£1,658,374
Reversed Slippage from Third Review Report	(£71,186)
ESMCP Project re-profiled	£1,046,811
Additions to the Programme	£328,000
Savings to the Programme	(£1,401,312)
<b>Increase in Capital Programme</b>	<b>£1,560,687</b>

3.3 £2,750,000 of the slippage detailed in section 2.6 was reported on setting the 2024/25 Capital Programme in February 2024 based on information at that time for the replacement of Hebburn Fire Station and the BTC Phase 3 developments. Since this time, additional slippage of £1,658,374 is required across a number of other projects.

3.4 Some of the slippage for the small fleet reported at Third Review was no longer required as the vans were delivered in to the service sooner than expected. At outturn slippage of £71,186 in to 2024/25 has been reversed.

3.5 The ESMCP project has been reviewed and reprofiled to accelerate £1,046,811 in to 2024/25.

3.6 The BA replacement programme has been subject to review with a request for budget of £300,000.

- 3.7 The contract for the new Command and Control system has now been awarded at a lower cost of £2,138,879, a saving of £1,401,312 to the budget set at £3,450,191. The project is expected to continue in to 2025/26 and will be reprofiled once works commence and milestone dates are agreed.
- 3.8 A new project for the purchase of Virtual Reality units has been added to the Programme for 2024/2025. This is estimated to cost £28,000 and will be funded from Fire Protection Grant.
- 3.9 There are no further variations to report at this early stage in the financial year. The Programme will continue to be effectively managed and monitored with any variations, being reported to Members regularly throughout the year.

#### **4. PRUDENTIAL INDICATORS (PI's)**

- 4.1 The Prudential Indicators set during the budget process are continually and there are no issues with the PI's for 2023/24 now that the final outturn position has been reported.
- 4.2 The PI's for 2024/25 are also in line with expectations at this early stage and there are currently no issues to report for the first quarter of the current financial year. Any amendments to the indicators for 2024/25 will be reported upon at the Second Review stage along with compliance with the relevant PI's determined for 2024/25.

#### **5. RISK MANAGEMENT**

- 5.1 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control, the realisation of efficiencies, the most appropriate use of limited resources and a comprehensive evaluation of the benefits. The risk to the Authority has been assessed as low utilising the standard risk matrix based on control measures being in place. As mentioned previously, where projects are delayed because of the coronavirus pandemic, other future schemes that have been approved may be accelerated accordingly to ensure the Capital Programme does not stagnate.

#### **6. FINANCIAL IMPLICATIONS**

- 6.1 The financial implications are set out in Appendix A of the report.

#### **7. EQUALITY AND FAIRNESS IMPLICATIONS**

- 7.1 There are no equality and fairness implications in respect of most of this report, however inclusion works at West Denton have been identified to ensure the female locker and shower facilities are enhanced so that they provide the same quality as their male counterparts.

#### **8. HEALTH AND SAFETY IMPLICATIONS**

- 8.1 There are no health and safety implications in respect of this report.

## **9. RECOMMENDATIONS**

9.1 The Authority is recommended to:

- Note the final outturn position for 2023/24 as reported;
- Approve the transfer of the additional slippage (£1,658,374) into 2024/25;
- Approve the reversal of slippage in to 2024/25 agreed at Third Review (£71,186);
- Approve the re-profiling of the ESMCP project (£1,046,811) in to 2024/25;
- Approve the addition to the Breathing Apparatus Replacement (£300,000);
- Approve the saving on the Command and Control System (£1,401,312); and
- Approve the revised Capital Programme for 2024/25, as set out at Appendix A, in light of the capital outturn position for 2023/24.