



**CAPITAL PROGRAMME 2023/2024 - SECOND QUARTERLY REVIEW**

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

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**1. INTRODUCTION**

- 1.1 The original Capital Programme for 2023/2024 was approved at the Authority meeting on 13th February 2023.
- 1.2 The purpose of this report is to review the current year's Programme and reflect any changes necessary to those that were presented to the Authority in the First Capital Programme Review held on 26<sup>th</sup> June 2023.
- 1.3 Progress on some projects within the Programme, as reported previously, has been impacted by external factors including the continuing impacts of the pandemic, the EU exit, the continuing war in the Ukraine and the ongoing issues with the supply of labour, plant and materials being experienced by some areas of the Authority's activities within the Capital Programme. These problems will inevitably cause delays to the planned projects to be delivered in 2023/2024 and updates will be provided to Members as required.

**2. Capital Programme 2023/2024 – Second Review**

- 2.1 The Capital Programme is showing an increase of £477,169 in the total estimated costs, from £16,148,819 reported at the First Review stage to £16,625,988.
- 2.2 Regular monitoring of the Capital Programme continues to take place and at the Second Quarterly Review stage there are a number of issues to bring to Members' attention for information. These are set out from section 2.4 of this report:
- 2.3 The position for 2023/2024 is summarised overleaf, with more detail of all schemes being provided in Appendix A to this report.



**Summary of the Capital Programme 2023/2024**

	<b>First Review</b>	<b>Second Review</b>
	<b>Revised Estimate (June)</b>	<b>Revised Estimate (November)</b>
	<b>£</b>	<b>£</b>
Expenditure - Projects c/fwd from 2022/2023	850,000	850,000
- Continuing Projects 2022/2023	13,394,189	13,265,858
- Projects Commencing 2023/2024	90,000	347,500
- Vehicle Replacement Programme	1,814,630	2,162,630
	<b>16,148,819</b>	<b>16,625,988</b>
Resources - Home Office Section 31 Grant (ESN)	1,725,471	1,725,471
- Capital Reserve	13,066,025	13,644,748
- Revenue Contribution to Capital	250,000	250,000
- One-off RCCO specific projects	850,000	850,000
- External Funding – SCC Contribution	15,646	15,646
- External Funding – NFRS Contribution	241,677	140,123
	<b>16,148,819</b>	<b>16,625,988</b>

**Continuing Projects**

**Estates (+£104,200)**

2.4 Projects that were delayed due to COVID access restrictions are now progressing well and most are now expected to be completed by the end of this financial year.

An update in summary is as follows:

- The Stock Condition Works £110k budget allocated for 2023/2024 will be fully expended in the year. The works have primarily focussed on aesthetic but nevertheless essential enhancements to the property portfolio comprising of essential maintenance and necessary internal and external painting incorporating the new corporate colour schemes. Marley Park and South Shields are scheduled for 2024/2025 which will complete the updates to the full estate.
- The Barmston Mere Training Centre Condition Works are well underway for this year with replacement steel doors and gas mains removal now complete. Structural work is scheduled to commence in December.



- The 'Genous' replacement (door access controls) security measures and Security Enhancements are both now complete and fully operational.
- The SCC CCTV Suite is now complete subject to final re-measurement and invoicing.
- The Fire Behaviour Units slipped from 2022/2023 are progressing well. Additional slippage of £104,200 was required to cover an outstanding invoice from last financial year. Revised extraction and filtration has been installed and commissioning work is ongoing. The units are anticipated to be completed by the end of the financial year.
- The works at Hebburn Tri Station are progressing well and, despite delays due to inclement weather, occupation is still scheduled for March 2024.

## **ICT (-£232,531)**

- 2.5 The Information Screens have been removed from the Capital Programme, as these will be considered as part of the Mobilising project to potentially install screens at each station now.
- 2.6 The Telnet Mobs Hardware Refresh slipped from 2022/2023 is now complete with an underspend of £203,108. (This scheme was half funded from Northumberland Fire and Rescue Service).
- 2.7 The Capital Programme has been amended to reflect these changes.

## **Additional Projects (+£275,500)**

- 2.8 A number of additional projects are required to be added to the Capital Programme as follows:
- **Replacement Telephony System**  
The current Cisco phone system has been in use by the service for approximately 15 years. This has already exceeded its usable life and is no longer supported by the manufacturer. As well as not meeting current security standards, the system is vulnerable due to the age of the equipment and the lack of available spares. Replacement is estimated to cost £47,500 and will be funded from Capital Reserve.
  - **USAR Rig Refurbishment**  
A refurbishment is required to USAR Rig 1 to ensure it benefits from a range of enhancement measures, enabling the USAR team to train on first class facilities that are fit for purpose. This is estimated to cost £150,000 and will be funded from Capital Reserve.



- **Fuel Management System Replacement**

The existing fuel management system mounted on every derf pump across the estate communicates via the 2G network. This network will soon be phased out. Therefore to ensure service continuity a new fuel management system is required. This will operate on the 5G network and is estimated to cost £60,000 to be funded from Capital Reserve.

- **Asset Management System Replacement**

Support for the current Asset Management System (Miquet) is reducing and Miquet is coming to the end of its useful life. It has been assessed that the service will need a replacement system within twelve months. Research has shown that the new systems have greatly developed and any new system chosen should be cloud based to enable efficient and effective support by the supplier. The cost of a replacement system is estimated to cost £70,000 and will be funded from Capital Reserve.

Following further work on this new project, it is known at this stage that the service will not have a replacement system in place by the end of the financial year. Therefore, this will need to be slipped in to 2024/2025.

## **Additional Schemes**

- 2.9 The Capital Programme was set in February recognising an additional £0.850m for a number of important schemes that were carried forward from previous years. Both schemes, the development of the Barmston Mere Training Centre (BTC) and the relocation and future development of 'Safetyworks!' have had detailed feasibility studies completed and reviewed.

The BTC plans are progressing well and the cost of future developments are being managed by the Training Facilities Group so that planned developments are being prioritised in line with the available resources. These are now forming part of the wider Capital Programme and have been absorbed as individual projects in their own right within the main Capital Programme. These developments will utilise most of the earmarked funds that remain.

Whilst the Service continues to operate Safetyworks!, the service is continuing to look at other available options and possible alternative ways of delivering the fire education messages and experiences in order to future proof this important area which may mean a dedicated replacement Safety Education Centre is now possibly not the preferred solution. Members will be kept updated of developments in this area.

## **3. Vehicle Replacement Programme (+£348,000)**

- 3.1 Work is still ongoing to review the current small fleet and consider options for replacement. The effects of the pandemic and changes to the ways of working within



the service have impacted upon this review. Pending its completion, the small fleet replacement budget has remained as agreed by Members in February with no plans to exceed the planned capital budget at this stage. It is highly likely that this budget will need to be slipped in to 2024/2025 due to vehicle lead in times. These will be monitored and a decision made at the Third Quarterly Review stage in January.

- 3.3 The Specialist Vehicles due to be purchased in 2023/2024 have been subject to a full Specials Review. Each vehicle is currently being looked at and specifications are underway for the welfare vehicle, telehandler and driving vehicle curtainsider replacement. Due to long lead in times for such specialist vehicles it is now considered that none of these will be delivered in this financial year. It is however considered that none of the vehicles are urgent as alternative options are available to the service but progress is still being made to procure the required upgraded vehicles. A further update will be reported to Members at Third Review.
- 3.4 It has been proposed to purchase an additional new standard pumping appliance which is a result of the previous IRMP actions where an additional appliance was allocated to Station Alpha. This new appliance will replace the oldest vehicle of the frontline pumping appliances and will supplement the 24 new appliances acquired which are all fully operational across the service. The operational equipment will also need replacing as the current equipment is recycled from the reserve store. The total cost is estimated to be £348,000, of which £48,000 has been recognised for the required equipment.

## **4. Capital Programme Funding**

- 4.1 The funding for the Capital Programme has been adjusted to reflect the change required to the Programme in sections 2.6 of the report with the results shown in the table at paragraph 2.1 and in Appendix A.

## **5. Prudential Indicators**

- 5.1 The Prudential Indicators for the financial year 2023/2024 were approved by the Authority on 13<sup>th</sup> February 2023. These indicators are regularly reviewed to ensure that:
- The Authority remains within its Authorised Limit for External Debt and any warning signals are highlighted where there is a danger that capital investment plans are not affordable, prudent, and sustainable;
  - Treasury Management decisions are taken in accordance with professional good practice; and
  - The capital expenditure control framework operated locally is consistent with, and supportive of, local strategic planning, local asset management planning, and proper option appraisal.



- 5.2 Internal monitoring procedures have been established to track performance against the various Prudential Indicators agreed by the Authority. These are managed on a day to day basis by the Finance Director. At this stage the Authority is operating within its Authorised Borrowing Limit, which is a statutory limit determined under Section 3 (1) of the Local Government Act 2003.

There are no areas for concern or any issues which require any review of the indicators as originally approved. A further review of the indicators will be reported at the Capital Programme Third Quarterly Review stage.

## **6. Risk Management**

- 6.1 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.

## **7. Financial Implications**

- 7.1 The financial implications are set out in the report.

## **8. Equality and Fairness Implications**

- 8.1 There are no equality and fairness implications in respect of this report.

## **9. Health and Safety Implications**

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

## **10. Recommendation**

- 10.1 Members are requested to note the progress to date and the reported variations- since the First Quarterly Review and to approve the revised Capital Programme for 2023/2024, as set out at Appendix A.