

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**

**Item No. 6**

**MEETING: 27<sup>TH</sup> JULY 2022**

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**CAPITAL PROGRAMME OUTTURN 2021/2022 AND FIRST QUARTERLY REVIEW  
2022/2023**

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

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**1. INTRODUCTION**

- 1.1 The original Capital Programme for 2021/2022 was approved at the Authority meeting on 15th February 2021.
- 1.2 The purpose of this report is to present the capital outturn position for 2021/2022, highlighting the main variances from the 2021/2022 Capital Programme Third Review presented to Members in January 2022.
- 1.3 The report also reflects the 2021/2022 outturn position and other changes to the original Capital Programme for 2022/2023 which was approved on 14th February 2022.
- 1.4 The COVID-19 pandemic has unsurprisingly adversely impacted on a number of projects within the Capital Programme during 2021/2022 and is also still continuing to affect the 2022/2023 Programme. The updates below indicate where this is the case and Members will be kept updated of these implications throughout the coming financial year.

**2. OUTTURN 2021/2022**

- 2.1 The outturn position on expenditure and resources for 2021/2022 is summarised overleaf:

	<b>Third Review (January)</b>	<b>Outturn</b>
	<b>£</b>	<b>£</b>
Expenditure - Projects c/fwd from 2020/2021	850,000	0
- Continuing Projects 2020/2021	11,781,376	1,337,979
- Projects Commencing 2021/2022	728,000	336,472
- Vehicle Replacement Programme	4,141,651	1,188,206
	<b>17,501,027</b>	<b>2,862,657</b>
Resources - Home Office Section 31 Grant	1,808,616	2,490
- Capital Reserve	14,006,188	2,261,153
- New Dimensions Reserve	196,000	191,533
- Government Grant	24,365	24,365
- External Funding – SCC Contribution	173,000	133,116
- RCCO – Revenue Contribution to Capital Outlay	442,858	250,000
- One-off RCCO for specific projects	850,000	0
	<b>17,501,027</b>	<b>2,862,657</b>

2.2 The Authority approved a Capital Programme for 2021/2022 of £13,224,677 which was subsequently revised to £17,501,027 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 £14,638,370 from £17,501,027 to £2,862,657, due to the following variations:

2.2.1 A net underspend of £168,956 has arisen from a number of schemes completed during 2021/2022. The main variations are listed below:

- £39,150 underspend on smoke detectors due to COVID-19 having an impact on the delivery of the Community Safety Programme during the year;
- £100,146 on the Command and Control budget as the technical refresh is now complete and there will be no further spend;
- £14,987 saving on the Mobilisation System (MOBS) firewall replacement;
- £4,467 underspend on the Urban Search and Rescue (USAR) training enhancement;
- £5,050 saving on the Breathing Apparatus (BA) compressors;
- £2,491 underspend on the purchase of new thermal scanners;
- £2,605 refund on the appliance CCTV; and
- A minor net underspend on a number of other projects.

2.2.2 Since the third review, there have been additions of £289,598 to the Capital Programme for 2021/2022:

- The tender for the PFI element of the security upgrade programme was £55,000 more than the remaining budget. This has been added to the Programme and will be funded from capital reserves; and
- An upgrade to Dispatch Communication Server (DCS) / LifeX is required to support the Emergency Services Network (ESN). DCS installation is critical for migration from Airwave to ESN. This is estimated to cost £234,598 and will be funded from capital reserves and a contribution of £117,299 from NFRS for half of the costs.

2.2.3 There has been further slippage of £13,909,012 into 2022/2023 on a number of projects as set out below:

**Estates - £8,531,998**

- Genous Security System (£345,580) – as reported at third review, there have been a number of technical issues with this project but progress is now being made. A contract has been agreed and the works are expected to be complete by autumn of 2022/2023.
- Security Upgrade Programme (£250,406) – the PFI element of the project has been delayed due to various issues during the year. A tender exercise for the works has been completed and progress is now being made.
- Stock Condition Survey Works (£67,870) – some of the works have been delayed due to restricted access to buildings and availability of contractors and materials. The planned works for 2021/2022 will now be completed early in the new financial year.
- CCTV Development (£39,884) – the transformation of the former Media Resources Unit (MRU) suite in to the new CCTV centre for Sunderland City Council (SCC) is almost finalised but a few late additional requests require the remaining budget to slip in to 2022/2023.
- Barmston Mere Training Centre (BTC) Atrium (£120,000) – this was a late addition to the Programme during the year and will be progressed in 2022/2023.
- Hebburn Station (£7,708,258) – full planning application has been issued and works will progress during 2022/2023.

**ICT - £361,461**

- New and Replacement Hardware (£2,440) – a small budget is remaining to be used in 2022/2023 for additional equipment.
- Information Screens (£29,423) – this project has been delayed due to COVID-19 and other priorities. A trial is currently ongoing, after which the scope of the project will be considered.
- Fireground Radios (£95,000) – the radios are awaiting delivery but lead times have increased due to microchip technology.
- DCS / Life X (£234,598) – this was a late addition to the 2021/2022 Programme as detailed in 2.2.2 and will be progressed in 2022/2023.

**Operational Equipment - £64,172**

- Operational Equipment Replacement (£55,052) – due to a worldwide shortage of microchips the expected lead time for the Electronic Personal Dosimeter's (EPD's) ordered may be up to 12 months.
- Foam and Firefighting Equipment (£9,120) – consideration needs to be given to ensure that the foam purchased is compatible with the equipment so this has been delayed until a decision is made on the new foam requirements.

**Technical Service Centre (TSC) Non Vehicle Replacement Programme - £24,975**

- Decontamination Washing Machines (£6,975) – the washing machine at the Training Centre is still awaiting installation this will be completed early in 2022/2023.

- New and Replacement Hardware – Miquet (£18,000) – a new quotation is required for this project and will be progressed in 2022/2023.

#### **Control/Mobilising - £1,806,126**

- Emergency Services Mobile Communications Project (ESMCP) (£1,808,126) – the timing of progress and expenditure on this national government led project continues to be uncertain. In the meantime, the remaining budget for 2021/2022 will be slipped into 2022/2023 and the Programme will be adjusted to reflect the new timescales when they are known.

#### **Learning and Organisational Development - £150,000**

- Fire Behaviour Units (£150,000) – replacement of the existing fire behaviour demonstration units has been considered in depth and will be progressed in 2022/2023.

#### **Community Safety - £16,835**

- Smoke Detectors (£16,835) – COVID-19 has impacted on delivery of the Community Safety Programme during 2021/2022.

#### **Vehicle Replacement Programme - £2,953,445**

- Small Fleet (£139,472) – requirements are dependent on the outcome of the small fleet review and the future needs and options for the Service. The remaining budget will need to be slipped in to 2022/2023 and will be adjusted and realigned as required.
- Appliance Replacement Programme (£2,813,973) – the order has been placed for the remaining ten fire appliances and the first stage payment has been made. Delivery is planned towards the end of 2022/2023.

2.2.4 Members will recall that the Capital Programme for 2021/2022 was set with an additional £0.850m for a number of business critical, invest to save schemes, that were slipped from 2020/2021. Plans for the two projects, repairs to Barmston Mere Training Centre and relocation of Safetyworks have continued to be impacted by the COVID-19 pandemic and as a result the £0.850m funding for these schemes will need to be carried forward in to the Capital Programme for 2022/2023.

2.3 The projects that have slipped into 2022/2023 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 and this funding will now be utilised in 2022/2023 instead.

### **3. CAPITAL PROGRAMME FIRST REVIEW - 2022/2023**

3.1 The detailed Capital Programme for 2022/2023 is set out at Appendix A, and is summarised below:

	<b>Original Estimate (February)</b> £	<b>Revised Estimate (July)</b> £
Expenditure - Projects c/fwd from 2021/2022	850,000	850,000
- Continuing Projects 2021/2022	9,832,462	11,912,567
- Projects Commencing 2022/2023	1,200,300	1,977,300
- Vehicle Replacement Programme	772,496	3,585,445
	<b>12,655,258</b>	<b>18,325,312</b>
Resources - Home Office Section 31 Grant (ESN)	1,523,204	1,806,126
- Capital Reserve	10,032,054	15,262,003
- Revenue Contribution to Capital	250,000	250,000
- One-off RCCO specific projects	850,000	850,000
- External Funding – SCC Contribution	0	39,884
- External Funding – NFRS Contribution	0	117,299
	<b>12,655,258</b>	<b>18,325,312</b>

3.2 The Capital Programme has increased by £5,670,054 from £12,655,258 (as approved by Members in February 2022) to £18,325,312. This is made up as follows:

Additional Slippage from 2021/2022 as reported	£4,547,054
Additions to Continuing Projects	£346,000
Additional New Projects	£777,000
<b>Increase in Capital Programme</b>	<b>£5,670,054</b>

3.3 £9,361,958 of the slippage detailed in 2.2.3 was reported on setting the 2022/2023 Capital Programme in February 2022 based on information at that time. This was for a number of projects, including: replacement of Hebburn Station (£7,698,258), Emergency Services Mobile Communications Project (£1,523,204) and Small Fleet (£140,496), where it was recognised that the projects would be delayed into 2022/2023. Since this time, additional slippage of £4,547,054 is required across a number of other projects.

3.4 A number of continuing projects require additional budget to the total of £346,000:

- The final cost of the decontamination washing machines will exceed the original budget set in January 2020 by £6,000; and
- The requirements of the fire behaviour training unit have been reconsidered and the project is estimated to cost an additional £340,000 to recognise the additional training functionality and to reduce significantly the carbon footprint of this new development in line with the Authority's environmentally friendly ambitions.

3.5 Five new projects totalling £777,000 have also been added to the Capital Programme for 2022/2023:

- Programme of improvement works across stations within the Estate to include:
  - IRMP implementation works and refurbishing some of the surplus space to create a dedicated Trauma Support Unit at Birtley Community Fire Station will cost £12,000;
  - IRMP implementation works at Rainton Bridge Community Fire Station to include alterations to the rest room and watch manager's office to accommodate whole time cover is estimated to cost £22,000; and
  - Inclusion works at West Denton Community Fire Station to ensure the female locker and shower facilities at West Denton Community Fire Station are to the required standard. This is estimated to cost £88,000.
- Replacement of the current foam stock with a new environmentally friendly foam is estimated to cost £55,000.
- Purchase of a High Reach Extendable Turret (HRET) Appliance. There is a requirement to replace the additional pumping appliance at West Denton Fire Station in line with all other front line pumping appliances. The provision of a pumping type appliance that comes with an additional water tower capability will enhance the ability of the service to manage large scale incidents. This is estimated to cost £600,000 and is expected to be ready for use by the end of the 2023/2024 financial year.

All new projects will be funded from capital reserves and progress monitored during the year.

- 3.6 There are no further variations to report at this early stage in the financial year, but 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 monitored and there are no issues with the PI's for 2021/2022 now that the final outturn position has been reported.
- 4.2 The PI's for 2022/2023 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 2022/2023 will be reported upon at the Second Review stage along with compliance with the relevant PI's determined for 2022/2023.

#### **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 2021/2022;
- Approve the transfer of the additional slippage (£4,547,054) into 2022/2023;
- Approve the additional funding (£346,000) required for continuing projects;
- Approve the additional projects (£777,000) for 2022/2023; and
- Approve the revised Capital Programme for 2022/2023, as set out at Appendix A, in light of the capital outturn position for 2021/2022.

