

**FIRE AUTHORITY: 14 November 2022**

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**SUBJECT: CAPITAL PROGRAMME 2022/2023 – SECOND QUARTERLY REVIEW**

**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 2022/2023 was approved by the Authority on 14<sup>th</sup> February 2022.
- 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 25<sup>th</sup> July 2022.
- 1.3 Progress on some projects within the programme as reported previously has been delayed by external factors including the continuing impacts of the COVID-19 pandemic, the EU exit, the war in the Ukraine and the ongoing issues with the supply of labour, plant and materials which is 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 2022/2023 and updates will be provided to Members as required.

## **2. Capital Programme 2022/2023 – Second Review**

- 2.1 The Capital Programme is showing a small reduction of £45,357 in the total estimated costs, from £18,325,312 reported at the First Review stage to £18,279,955.
- 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 2022/2023 is summarised overleaf, with much more detail of all schemes being provided in Appendix A to this report.

## Summary of the Capital Programme 2022/2023

|  | <b>First Review</b>                          | <b>Second Review</b>                             |
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|  | <b>Revised<br/>Estimate<br/>(July)<br/>£</b> | <b>Revised<br/>Estimate<br/>(November)<br/>£</b> |
| Expenditure                              |  |  |
| - Projects c/fwd from 2021/2022          | 850,000                                      | 850,000  |
| - Continuing Projects 2021/2022          | 11,912,567                                   | 11,867,210                                       |
| - Projects Commencing 2022/2023          | 1,977,300                                    | 1,377,300  |
| - Vehicle Replacement Programme          | 3,585,445                                    | 4,185,445  |
|  | <b>18,325,312</b>                            | <b>18,279,955</b>                                |
| Resources                                |  |  |
| - Home Office S31 Grant (ESN)            | 1,806,126                                    | 1,806,126  |
| - Capital Reserve                        | 15,262,003                                   | 15,216,646                                       |
| - Revenue Contribution to Capital        | 250,000                                      | 250,000  |
| - External Funding – SCC<br>Contribution | 39,884                                       | 39,884   |
| - One-off RCCO                           | 850,000                                      | 850,000  |
| - External Funding - NFRS                | 117,299                                      | 117,299  |
|  | <b>18,325,312</b>                            | <b>18,279,955</b>                                |

## Continuing Projects

### Estates

- 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 £100k budget allocated for 2022/2023 and the agreed carry over from the previous year's slippage of £68k will be fully expended in the year. The works have primarily focussed on aesthetic but nevertheless essential enhancements to our property portfolio comprising of essential maintenance and necessary internal and external painting incorporating the new corporate colour schemes. This work was long overdue.
- The Barmston Mere Training Centre Condition Works is likely to overspend due to the unforeseen door replacement works within the tall training structure and the Breathing Apparatus Training Centre. These works are complete and the final works invoice is awaited.
- The 'Genous' replacement (door access controls) security measures have been completed at the fire stations of Hebburn, Birtley, Rainton

Bridge, Farringdon, Marley Park and Sunderland Central with works commencing at SHQ on 18<sup>th</sup> October 2022. All sites will be completed by the end of this calendar year when the new access arrangements will then become fully operational.

- d) The Security Enhancements approved by members including the auto gates, pedestrian gates, fencing and the visitor control barriers within SHQ main entrance are progressing well and all are expected to be completed by the end of March 2023.
- e) The SCC CCTV Suite has now been completed subject to final re-measurement and invoicing.
- f) The BTC Atrium replacement project works is now in progress with completion expected by the end of the year.
- g) The Fire Behaviour Units are progressing well and a contractor has been appointed to carry out the enabling works. In addition a specialist engineering contractor has also been contracted to manufacture, supply and install the new units which will incorporate a carbon capture feature as required. All of this work is anticipated to be completed by the end of February 2023.
- h) An update on the Hebburn Tri Station is provided in a separate report elsewhere on today's Part 2 Agenda, which provides details of the scheme and the potential appointment of a preferred contractor.
- i) In addition to the Capital Programme works, the Authority's PFI estate continues to see increased and sustained investment in lifecycle works during 2022/2023 where works have been agreed, delivered, are in progress, or are planned which total almost £1m (lifecycle and variations). This helps to show that the Authority is also actively managing the PFI contract and ensuring all planned capital lifecycle works are actually being delivered in accordance with the terms of the PFI contract.

## **ICT**

- 2.5 There have been additional requests for laptops and mobile phones during the first part of the financial year. Actions will be taken to manage the additional spend within the new and replacement hardware budget, so this will not present as an additional cost to the overall Programme.

## **2.6 Operations (-£45,357)**

Delivery of the Electronic Personal Dosimeter's (EPD's) is not expected until May 2023 due to a continuing worldwide shortage of microchips according to the supplier therefore this cost of £43,357 will need to further slip in to 2023/2024. The Programme has been adjusted accordingly.

### **Additional Proposed New Starts**

- 2.7 The Capital Programme was set in February with an additional £0.850m for a number of business critical, invest to save schemes that were slipped from 2021/2022. Plans for the two projects, repairs to Barmston Mere Training Centre and relocation of Safetyworks, are currently in progress and the subject to feasibility reports. An update on these projects will be reported in due course once the outcome of these studies have been concluded. The funding however remains earmarked for these proposed developments.

## **3. Vehicle Replacement Programme**

- 3.1 Work is 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, which is almost complete. 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.
- 3.2 The second batch of ten fire appliances are on order and expected to be delivered by the end of this financial year, at which point the whole fleet of 24 fire appliances will have been renewed.
- 3.3 The Specialist Vehicles due to be purchased in 2022/2023 are pending the outcome of the Specials Review. 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.

## **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 2022/2023 were approved by the Authority on 14<sup>th</sup> February 2022. 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 variation since the First Quarterly Review and to approve the revised Capital Programme for 2022/2023, as set out at Appendix A.