



TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No 9

FIRE AUTHORITY MEETING: 26 JUNE 2023

**SUBJECT: CAPITAL PROGRAMME OUTTURN 2022/2023 AND FIRST QUARTERLY
REVIEW 2023/2024**

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

1. INTRODUCTION

- 1.1 The original Capital Programme for 2022/2023 was approved at the Authority meeting on 14th February 2022.
- 1.2 The purpose of this report is to present the capital outturn position for 2022/2023, highlighting the main variances from the 2022/2023 Capital Programme Third Review presented to Members in February 2023.
- 1.3 The report also reflects the 2022/2023 outturn position and any other changes needed to the original Capital Programme for 2023/2024 which was approved on 13th February 2023 as a result.
- 1.4 Progress on some projects within the Programme as reported previously has 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 2022/2023 is summarised overleaf:



	Third Review	Outturn
	Revised Estimate (February)	
	£	£
Expenditure - Projects c/fwd from 2021/2022	850,000	0
- Continuing Projects 2022/2023	15,032,691	2,305,004
- Projects Commencing 2022/2023	558,782	315,285
- Vehicle Replacement Programme	2,895,515	2,404,815
	19,426,988	5,025,104
Resources - Capital Reserve	16,363,679	4,611,744
- Revenue Contribution to Capital	250,000	250,000
- External Funding – SCC Contribution	39,884	24,238
- One-off RCCO	850,000	0
- External Funding - NFRS	117,299	52,141
- New Dimensions Reserve	0	50
- Home Office S31 Grant (ESN)	1,806,126	86,931
	19,426,988	5,025,104

2.2 The Authority approved a Capital Programme for 2022/2023 of £12,655,258 which was subsequently revised to £19,426,988 during the year. This was reported to Members in February. At the end of the financial year, the Capital Programme outturn reflects a reduction in spending of £14,401,884 from £19,426,988 to £5,025,104, due to the following variations:

2.2.1 A net underspend of £267,138 has arisen from a number of schemes completed during 2022/2023. The main variations are listed below:

- £48,819 underspend on smoke detectors with the Community Safety Programme using supplies in stock after a period of reduced service;
- £4,432 overspend on new hardware due to additional requests for new posts added to the establishment;
- £7,441 underspend on stock condition survey works;
- £23,103 overspend on BTC condition survey works due to essential emergency repairs;
- £3,952 saving on the BTC Atrium;
- £232,194 saving on the fire behavior units which are almost complete;
- £5,406 underspend on the miquet hardware;
- £1,275 overspend on foam replacement;
- £2,735 overspend on the Birtley IRMP works and the trauma support unit; and
- A minor net underspend on a number of other projects.

2.2.2 Since the third review, there has been an addition of £45,131 to the Capital Programme for 2022/2023:

- Additional funding is needed for the upgrade to the Dispatch Communication Server (DCS) / LifeX which is required to support the Emergency Services Network (ESN). This will be jointly funded from capital reserves and a contribution from NFRS.

2.2.3 At the outturn stage, two of the decisions made at second and third review have been reversed:

- Slippage to 2023/2024 of £45,357 for the operational equipment replacement programme agreed and actioned at second review is now no longer required as the electronic persona dosimeter's (EPD's) were in fact delivered before the end of the financial year.
- Acceleration of funding of £7,621 from the 2023/2024 BTC condition survey works agreed and actioned at third review is now no longer required as this can be funded from the underspend on the fire behavior units.

2.2.4 There has been further slippage of £13,367,613 into 2023/2024 on a number of projects as set out below:

Estates - £10,519,973

- Genous Security System (£68,049) – the project has been delayed due to a new tender. This will be completed early in 2023/2024.
- Security Upgrade Programme (£28,034) – a new contractor is finishing off the gates and the project will be completed by early in 2023/2024 and also within budget.
- MRU Development (£15,646) – this project is complete but there are some outstanding legal costs that will need to be paid in 2023/2024.
- Fire Behaviour Units (£20,000) – this project is complete with an underspend of £232,194. £20,000 will be slipped for any additional payments that may arise in 2023/2024.
- Hebburn Station (£10,388,244) – the build has now started and stage payments (and most of the costs of the scheme) will be made during 2023/2024.

ICT - £2,231,972

- Information Screens (£29,423) – the budget will be slipped as a working group to establish the requirements of the project has been set up.
- DCS / Life X (£235,424) – this will continue in to 2023/2024.
- Telnet Mobs Hardware Refresh (£247,930) - this will continue in to 2023/2024.
- ESMCP (£1,719,195) – this national led project is dependent on timelines set by Government which have continued to be delayed.



Operational Equipment - £21,889

- Operational Equipment Replacement (£16,212) – delayed delivery of an order for monitors and nozzles and underspend slipped to cover purchase of a new pump.
- Foam and Firefighting Equipment (£5,677) – 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 - £13,079

- PPE Replacement (£13,079) – the remaining equipment will be issued early in 2023/2024.

Vehicle Replacement Programme - £580,700

- Small Fleet (£23,677) – additional slippage since that reported at third review of the small fleet budget pending completion of the review. This is the balance remaining once final payments of the few essential vehicles have been made.
- Appliance Replacement Programme (£557,023) – the additional ten new fire appliances are in the service and final stage payments are due early in 2023/2024 before they will become operational.

2.2.5 Members will recall that the Capital Programme for 2022/2023 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 identified projects, works to Barmston Mere Training Centre and the feasibility of relocating Safetyworks have continued to be impacted during 2022/2023 and as a result the £0.850m funding for these schemes will need to be reviewed in 2023/2024.

2.3 The projects that have slipped in to 2023/2024 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 2023/2024 instead.

3. CAPITAL PROGRAMME FIRST REVIEW - 2023/2024

3.1 The detailed Capital Programme for 2023/2024 is set out at Appendix A, and is summarised below:



	Original Estimate (February) £	Revised Estimate (June) £
Expenditure - Projects c/fwd from 2022/2023	850,000	850,000
- Continuing Projects 2022/2023	12,009,782	13,394,189
- Projects Commencing 2023/2024	90,000	90,000
- Vehicle Replacement Programme	1,233,930	1,814,630
	14,183,712	16,148,819
Resources - Home Office Section 31 Grant (ESN)	1,159,627	1,725,471
- Capital Reserve	11,924,086	13,066,025
- Revenue Contribution to Capital	250,000	250,000
- One-off RCCO specific projects	850,000	850,000
- External Funding – SCC Contribution	0	15,646
- External Funding – NFRS Contribution	0	241,677
	14,183,712	16,148,819

- 3.2 The Capital Programme has increased by £1,965,107 from £14,183,712 (as approved by Members in February 2023) to £16,148,819. This is made up as follows:

Additional Slippage from 2022/2023 as reported	£2,767,841
Reversed Actions from Third Review (section 2.2.3)	(£37,736)
Reductions to Continuing Projects	(£15,000)
Costs re-profiled in to 2024/2025	(£750,000)
Increase in Capital Programme	£1,965,107

- 3.3 £10,599,771 of the slippage detailed in 2.2.4 was reported on setting the 2023/2024 Capital Programme in February 2023 based on information at that time. This was for replacement of Hebburn Fire Station (£9,446,420) and the Emergency Services Mobile Communications Project (£1,153,351), where it was recognised that both of these projects would be delayed into 2023/2024. Since this time, additional slippage of £2,767,841 is required across a number of other projects.
- 3.4 Two actions agreed at Second and Third Review in 2022/2023 impacted on the Capital Programme for 2023/2024. At outturn these were no longer required and have been reversed (section 2.2.3).



- 3.5 The smoke detector budget of £135,000 has been reviewed by senior management and has been reduced by £15,000 for 2023/2024 and consecutive years.
- 3.6 The BA replacement will be re-profiled in to 2024/2025 so there is a requirement to slip the budget of £750,000 to recognise the change in the acquisition period.
- 3.7 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 2022/2023 now that the final outturn position has been reported.
- 4.2 The PI's for 2023/2024 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 2023/2024 will be reported upon at the Second Review stage along with compliance with the relevant PI's determined for 2023/2024.
- 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 2022/2023 as reported;
- Approve the transfer of the additional slippage (£2,767,841) into 2023/2024;
- Approve the reduction in budget (£15,000) in 2023/2024;
- Approve reversal of the amendments previously agreed (£37,736) for 2022/2023;
- Approve the re-profiling of the BA replacement programme (£750,000) to 2024/2025; and
- Approve the revised Capital Programme for 2023/2024, as set out at Appendix A, in light of the capital outturn position for 2022/2023.