

**PROGRESS AGAINST REVENUE AND CAPITAL
BUDGETS 2025/2026****REPORT OF THE CHIEF FIRE OFFICER****1. PURPOSE OF REPORT**

- 1.1 To report progress against the approved 2025/26 Revenue and Capital Budgets as at 31 December 2025, and the associated forecast outturn.

2. RECOMMENDATION

- 2.1 That Members note the budget position and outturn strategy.

For Information**3. REVENUE POSITION AT 31 DECEMBER 2025**

- 3.1 The report advises Members that the Chief Fire Officer continues to manage the budget extremely carefully with the aim of achieving a budget underspend, where this does not impact on services. Key issues and details of the forecast outturn are detailed in the following paragraphs.
- 3.2 **Pay Budget** – further to the September position of £660k underspend, the under occupancy continues. Managing vacancies helps provide flexibility to support the achievement of permanent budget cuts, as required by the approved Medium Term Financial Strategy. However, not all of the temporary 2025/26 vacancy savings can be taken, as many posts need to be filled to ensure we maintain the appropriate skills, capacity and capability.

Pay Award savings & Under Occupancy savings September	-£660k
Staffing strength is under establishment and due to careful management of vacant posts, provides a temporary saving in 2025/26, including the contractual changes to On-Call staff.	-£465k
Remaining Pay Underspend	-£77k
Total Pay Saving	-£1.202m

- 3.3 **Non-Pay Budgets** are made up of operational and project activities. One-off savings have been identified in both areas, as summarised below:

Non-Pay Budget – Operational September	-£224k
Non-Pay Budget – Projects September	-£431k
Non-Pay Budget – Remaining Underspend	-£89k
Non-Pay Budgets – forecast year end underspend	-£744k

- 3.4 The pay and non-pay underspends need to be allocated to offset one-off pressures already identified. These issues were not addressed in the 2026/27 to 2028/29 Medium Term Financial Strategy, which deals with forward looking the financial /service strategy, as it is more appropriate to manage these issues from the 2025/26 outturn position. This approach recognises that some expenditure commitments will be delayed from 2025/26 and also provides increased financial / service resilience by allocating funding for one-off investment. This strategy is more important than ever given the financial position outlined in the Medium Term Financial Strategy, which was approved by the Authority on 13th February. As detailed in the table below these issues commit the majority of the 2025/26 underspend and leave a net contribution to the Budget Support Fund of £61,000.

In year Pressures reported September	£1.075m
Pay Inflation Pressure Reserve	£240k
This reserve will help manage risks in relation to national pay awards exceeding the forecast provisions included in the budget.	
Revenue contribution to Fire Behaviour Training Units	£150k
The Medium Term Financial Strategy identified some funding towards this capital project and indicated the funding shortfall of £150,000 would be addressed when tenders are received.	
The outturn position for 2025/26 enables this funding shortfall to be addressed, which avoids an unfunded liability in 2026/27.	
Training Reserve	£170k
Training costs fluctuate over a three-year programme, to smooth the impact on the revenue budget, a reserve will be created. Funding for the reserve is generated through the apprenticeship levy sub-contracting arrangements for our wholetime recruits.	
Data Warehouse / Cyber Security Reserve	£250k
To support IT resilience and to improve use of technology / data, which underpins the delivery of front line service, investment is needed in a Data Warehouse. Additionally, increased investment is needed in Cyber Security to ensure the Authority's arrangements continue to adapt to increasing external threats, such as the high profile cyber attached on Jaguar Land Rover.	
Pay Budget forecast underspend	-£1.202m
Non-Pay budget forecast underspend	-£744k
Net forecast revenue budget underspend	-£61k

4 CAPITAL POSITION AS AT 31 DECEMBER 2025

- 4.1 The capital programme for 2025/26 includes the planned projects for this financial year from the revised Asset Management Plan 2025-2040, together with those projects rephased from 2024/25.
- 4.2 The capital budget for 2025/26 is **£7.077m** comprising 47 schemes. A summary of activity is presented in the table below.

Summary	Dec
Not yet started	1
Commenced planning & procurement activity	8
Orders placed awaiting delivery	6
Partial delivery/ partial payment	9
COMPLETE	11
Slipped to 26/27 Underway	0
Deferred to 26/27 Not Started	12
Total Schemes	47

- 4.3 Actual spend including commitments at December was £1.179m with a further £3.275m forecast by the end of the financial year. The forecast outturn position on the capital programme is currently a year-end underspend of **£2.623m**. This amount consists of four elements, including an element of capital expenditure to be deferred to 2026/27, as summarised below:

Forecast Capital Outturn 2025/26

	£'m
Schemes which will overspend	0.173
Capital costs in relation to the replacement of Aerial Ladder Platform scheme 1, 4x Water Tenders scheme 4, Lifting Bags, CCTV, Fire Control, Drill Tower replacement Guisborough scheme 30, Billingham Appliance Bay Doors scheme 39 and Cyber Security Infrastructure.	
Schemes which will underspend	(0.449)
A small number of schemes are complete or no longer required following review and have been delivered below the budgeted level. Schemes 6, 8, 10, 11, 13, 16, 20, 36, 38, 42, 44 and 47	
Schemes which will be rephased from 2025/26 to 2026/27	(2.080)

Capital schemes have longer lead times than revenue spending and a number of schemes will see expenditure deferred to 2026/27 – i.e. scheme 3, 5, 12, 14, 15, 17, 18, 22, 23, 25, 26, 27, 33, 34, 35, 37, 40, 41, 45	
Schemes not yet started 28, 29, 30	(0.267)
Year-end outturn – underspend	(2.623)

- 4.4 The financial position and progress for each project in the capital programme for 2025/26 is shown at Appendix 2.
- 4.5 There are no other significant issues to bring to Member's attention at this time.

PETER RICKARD

Chief Fire Officer

KRISTINE WARD

ACFO – Strategic Planning, People & Resources

SIMON WEASTELL

ACFO – Service Delivery

Comparison of Expected and Actual Expenditure and Income to 31st December 2025									APPENDIX 1
Chief Fire Officer / Treasurer				Status		Count			Month
Progress Against Revenue Budget 2025/2026		Corrective action may be required		Adverse variance greater than +2%		6			9
Actual Position as at:		Possible virement/service enhancement		Favourable variance greater than -2%		4			
31st December 2025		On target		Variance between +/- 2%		2			
Ref	Description	Revised Budget 25/26 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000	Narrative	Correction Action	Anticipated Outcome	Forecast Outturn Variance £'000
1	Employees Costs	30,776	23,082	17,673	(5,409)	Under-occupancy funds have been removed to balance the budget.	See report para 3.5	See report para 3.5	(1,202)
2	Premises Costs	2,337	1,753	1,864	111	Significant commitments (£236k) remain. Underspend on Gas and Electric Overspend on rates and property maint, various =£100k	See report para 3.5	See report para 3.5	(57)
3	Supplies & Services	3,130	2,796	2,846	50	Significant commitments (£592k) remain. FireLink / Airwave underspend	See report para 3.5	See report para 3.5	(109)
4	Transport Costs	845	634	786	152	Significant commitments (£253k) remain. Current overspend on vehicle repairs and maintenance	See report para 3.5	See report para 3.5	(39)
5	Support Services	481	361	141	(220)			Actual expenditure will come broadly in line with the budget as we move through the year.	(13)

Ref	Description	Revised Budget 25/26 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000	Narrative	Correction Action	Anticipated Outcome	Forecast Outturn Variance £'000
6	Income	(603)	(452)	(1,101)	(648)	Additional income offsets some expenditure.	See report para 3.5		(526)
	Sub Total Operational Budgets	36,967	28,174	22,210	(5,964)				(1,946)
7	Capital Finance Costs	1,083	887	186	(702)	Any variance from this budget is managed and reported through the Treasury Management Strategy, which is then reflected in the Medium Term Financial Strategy			0
8	S31 Grants	(2,417)	(1,813)	(3,014)	(1,201)			Assume that S31 Grants will be inline with budgeted.	0
9	S31 Grants - Pension	(1,063)	(797)	(1,063)	(266)			Assume that S31 Grants will be inline with budgeted.	0
10	Contribution from Reserves	(468)	57	19	(38)			Appropriate adjustments are made at the year end.	0
	TOTALS	34,103	26,508	18,337	(8,171)				(1,946)
11	Identified budget pressures - approved	0	0	1,885	1,885		See report para 3.5		1,885
	Remaining Net Underspend	34,103	26,508	16,452	(6,286)				(61)

Comparison of Expected and Actual Expenditure and Income to 31st December 2025								APPENDIX 2	
Chief Fire Officer / Treasurer							Count		
Progress Against Capital Budget 2025/2026				Corrective action may be required			5		
Actual Position as at:				Possibleirement/service enhancement			19		
31st December 2025				On target			23		
Ref	Description	Budget 25/26 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
1	Arial Ladder Platform (A6)	825	163	687	850	25		850	25
2	30 Mobile Working Devices	45	8	37	45	0		45	0
3	2 Climate Change - Site Decarbonisation	433	136	40	176	(257)	4 stations planned for Oct (A,C,D,E), remainder planned for Nov (H,L,M,N,O & QMC). Subject to review awaiting budget settlement	176	(257)
4	4 Water Tenders (Rescue Pumps)	840	0	854	854	14	Delivery end Feb	854	14
5	36 x Mobile Data Terminals (MDTs)	148	0		0	(148)	Aligned with new Fire Control	0	(148)
6	Fuel Pump Management System	45	37	0	37	(8)	Completed Sept 25.	37	(8)
7	Departmental Vehicles (Electric)	100	0	100	100	0	Orders to be placed Feb, delivery April onwards	100	0
8	26 Electric Charging Points	30	4	20	24	(6)	Rolled out June 25 to most stations then underspend Yarm/Coulby depending on budget settlement	24	(6)

Ref	Description	Budget 25/26 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
9	10 Standard Lifting Bags	6	0	10	10	4		10	4
10	4 ladders	11	6	0	6	(5)	Complete	6	(5)
11	24 Hydraulic Hose	19	0	0	0	(19)	Not required as new equipment is all battery operated	0	(19)
12	Wildfire Vehicle	100	0	0	0	(100)	Order March delivery 26/27	0	(100)
13	Drill Tower Replacement + ladder Coulby HOLD Switch funding to Grangetown	152	6	144	150	(2)	As ELT report June 25	150	(2)
14	Prime Mover	280	0	0	0	(280)	Spec complete, awaiting tender process - delivery 26/27	0	(280)
15	Bodyworn Cameras (80)	48	0	0	0	(48)	Defer 26/27	0	(48)
16	Clean Cab Appliances (20)	200	0	20	20	(180)	Savings as not cost effective for the 4 current rescue pumps (scheduled to become reserve appliances)	20	(180)
17	Decontaminants 7 WT Stations	350	0	0	0	(350)	Defer pending any potential station reconfiguration.	0	(350)
18	Decontaminants 6 OnCall Stations	180	0	0	0	(180)	Defer pending any potential station reconfiguration.	0	(180)
19	Foam Equipment	172	0	172	172	0		172	0
20	117 Vehicle Trackers	17	0	0	0	(17)	Complete	0	(17)
21	Fire Appliance CCTV Upgrade	51	0	81	81	30	First orders placed for new CCTV system in new appliances due Feb 26.	81	30
22	20 Digital Advertising Screens	20	0		0	(20)	Defer 26/27	0	(20)
23	Personal Protective Equipment (Fire Kit)	138	0	0	0	(138)	This amount to be deferred for full PPE replacement project in 26/27.	0	(138)

Ref	Description	Budget 25/26 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
24	Fire Control Mobilising System	636	48	628	676	40		676	40
25	Redcar Emergency Generator Upgrade	24	0	0	0	(24)	Defer 26/27	0	(24)
26	Gym Equipment Coulby	22	0	0	0	(22)	Defer awaiting outcome of Coulby refurbishment review .	0	(22)
27	Hartlepool Garage Refurbishment	49	0	0	0	(49)	Deferred to 26/27.	0	(49)
28	Drill Tower Replacements and Ladders (Hartlepool) HOLD maintenance only	50	0	0	0	(50)	HOLD release funds, £50k maintenance only	0	(50)
29	Drill Tower Replacements and Ladders (Stockton) HOLD Maintenance only	50	0	5	5	(45)	HOLD release funds, £50k maintenance only	5	(45)
	Funding switch for Fire Behavioural Training Unit	172	0	0	0	(172)	Future drill tower review. HOLD Loftus £154k, Yarm £154k, Grangetown £154k all 29/30	0	(172)
30	Drill Tower Replacements and Ladders (Guisborough)	136	167	23	190	54	Install completed July 25 - awaiting final invoices for payment.	190	54
31	Drill Tower Replacements and Ladders (Skelton)	138	115	23	138	0	Install completed June 25 - awaiting final invoices for payment.	138	0
32	17 Departmental Vehicles	401	0	401	401	0	Orders to be placed Feb, delivery April onwards	401	0
33	Tec Hub Resource Garages Conversion	201	0	0	0	(201)	Defer Options appraisal underway due to additional costs.	0	(201)
34	Tech Hub Mezannine Conversion	60	0	0	0	(60)	Defer Options appraisal underway due to additional costs.	0	(60)
35	Technical Hub Emergency Generator Upgrade	40	0	0	0	(40)	Defer 26/27	0	(40)

Ref	Description	Budget 25/26 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
36	74 Hydraulic RTC Tools	500	343	0	343	(157)	Rollout in progress scheduled completion Feb 26	343	(157)
37	Coulby Newham Refurbishment	40	0	0	0	(40)	Remove - allocate to Coulby pot await review	0	(40)
38	High Volume Foam Pump	22	0	0	0	(22)	Underspend - No longer required following Foam Review.	0	(22)
39	Billingham Appliance Bay Doors	65	68	0	68	3	Complete Overspend	68	3
40	34 Defibrillators	28	0	0	0	(28)	Defer 26/27 Reseach in progress.	0	(28)
41	Skelton Emergency Generator Upgrade	18	0	0	0	(18)	Defer 26/27	0	(18)
42	Redcar Heating Pipework Refurbishment	39	0	21	21	(18)	Complete - awaiting final payment	21	(18)
43	Dry Suits	2	0	2	2	0	Complete - Awaiting delivery and billing of final suits	2	0
Asset Investments (RCCO)									
44	Powered Respirators	14	0	0	0	(14)	No longer required.	0	(14)
45	Fire House Balconies	77	0	0	0	(77)	Approved at ELT Finance* (from underspend). Smoke House refurb works	0	(77)
46	Cyber Security Infrastructure Upgrades	75	78	0	78	3	Approved at ELT Finance* (from underspend).	78	3
47	Clean Crawl Space POESTs	8	0	7	7	(1)	Delivered Nov 25. Rollout Jan-Mar	7	(1)
	TOTAL ALL SCHEMES	7,077	1,179	3,275	4,454	(2,623)		4,454	(2,623)