

**PROGRESS AGAINST REVENUE AND CAPITAL
BUDGETS 2026/2027****REPORT OF THE CHIEF FIRE OFFICER****For Information****1. PURPOSE OF REPORT**

- 1.1 To report progress against the approved 2026/27 Revenue and Capital Budgets as at 30th June 2026, and the associated forecast outturn.

2. RECOMMENDATION

- 2.1 That Members note the budget position as at 30th June 2026.

3. REVENUE POSITION AT 30 JUNE 2026

- 3.1 Although the Authority received a three-year settlement (2026/27 to 2028/29) it introduced significant changes in funding which at a national level continue to increase reliance on Council Tax to fund local services.
- 3.2 The February Medium Term Financial Strategy report approved a budget of £36.778m for 2026/27.
- 3.3 In setting the budget, various actions had been taken
- Historic trends from the last 3 years pay budgets showed an underspend because of turnover/vacancies and the mix of development and competent rates of pay. Based on those trends a 3% saving was taken from the pay budget in 2025/26, that has been repeated for 2026/27.
 - A comprehensive review of non-pay budgets identified efficiencies from historic underspends and some budget rationalisation.
 - Forecasts from the Bank of England had anticipated inflation reducing during 2026/27 to their target of 2% in 2027/28. Non-Pay inflation was set at 3% for 2026/27.
 - National pay awards for Grey Book staff (fire fighters) and Green Book staff (corporate staff) had not been settled and were subject to ongoing negotiations.

- 3.4 Bank of England interest rates reduced in December 2025 to 3.75% and remain at that level. It is evident in our contractual arrangements that interest rates are remaining higher than anticipated and have increased in some areas directly affected by issues in the Middle East.
- 3.5 The national Grey Book pay award was approved (NJC/2/26) in July at 3.8% for pay and allowances.
- 3.6 Gold Book pay award (Brigade Managers) was approved in July at 3.8% uplift on all salaries,
- 3.7 The Grey and Gold Book pay awards of 3.8% are slightly below the 4% provision included in the 26/27 budget.
- 3.8 The NJC had made a full and final offer of 3.3% on Green Book pay and allowances which, for the period of this report, had been rejected by unions who are balloting members regarding industrial action.
- 3.9 The overall position on revenue budgets at the end of June 2026 is detailed in Appendix 1 and shows a current overspend owing to the phasing of commitments on premises, supplies and services and transport costs where orders need to be placed early in the year to ensure goods and services are delivered in the current year. In relation to pay budgets there is a current overspend owing to Gold Book backfill arrangements and Control where two posts are being backfilled in relation to the Mobilisation Project.
- 3.10 A £154k underspend has been confirmed in relation to Motorola as the FireLink contract costs have been capped.
- 3.11 An assessment of the outturn for all areas has been completed resulting in a yearend forecast underspend of £0.237m.
- 3.12 A strategy for using this amount will be developed when the MTFS is rolled forward.

4. CAPITAL POSITION AS AT 30TH JUNE 2026

- 4.1 The capital programme for 2026/27 includes the planned projects for this financial year from the revised Asset Management Plan 2026-2041, together with those projects rephased from 2025/26.
- 4.2 The rephased schemes from 2025/26 total £3.301m which includes 17 schemes and 2 retention sums relating to drill towers.
- 4.3 The capital budget for 2026/27 is £5.552m comprises a further 27 schemes.

- 4.4 The total capital programme for 2026/27 is **£8.853m** comprising **44 schemes** and **2 retentions**. A summary of activity is presented in the table below.

Summary	June
Not yet started	10
Commenced planning & procurement activity	18
Orders placed awaiting delivery	6
Partial delivery/ partial payment	4
COMPLETE	5
Slipped to 27/28 Underway	0
Deferred to 27/28 Not Started	1
Total Schemes	44

- 4.5 Actual spend including commitments at June was £0.562m with a further £5.222m forecast by the end of the financial year. The forecast outturn position on the capital programme is currently a year-end underspend of **£3.035m**. This amount consists of four elements, including an element of capital expenditure to be deferred, as summarised below:

	£'m
Schemes which will overspend (before allocation of inflation reserve)	0.290
Capital costs in relation to schemes 1, 4, 10, 30, 35, 36, 37	
Schemes which will underspend	
A small number of schemes are complete or no longer required following review and have been delivered below the budgeted level. Schemes 5, 6, 16, 17 The two retention sums	(0.046)
Schemes which will be rephased from 2026/27 to 2031/32	
Scheme 39 has been reviewed. Inspection of the current life jackets has resulted in a decision to defer the replacement until 2031.	(0.007)
Schemes not yet started	(3.272)
Year-end outturn – underspend	(3.035)

- 4.6 The financial position and progress for each project in the capital programme for 2026/27 is shown at Appendix 2.
- 4.7 There are no other significant issues to bring to Member's attention at this time.

SIMON WEASTELL
Interim Chief Fire Officer

KRISTINE WARD
ACFO - Director of Strategic Planning, People & Resources

LEE BROWN
Temporary ACFO - Director of Service Delivery

Comparison of Expected and Actual Expenditure and Income to 30th June 2026

APPENDIX 1

Chief Fire Officer / Treasurer		Status	Count		Month
Progress Against Revenue Budget 2026/2027	Corrective action may be required	Adverse variance greater than +2%	0		3
Actual Position as at:	Possible virement/service enhancement	Favourable variance greater than -2%	2		
30th June 2026	On target	Variance between +/- 2%	8		

Ref	Description	Revised Budget 26/27 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000	Narrative	Correction Action	Anticipated Outcome	Forecast Outturn Variance £'000
1	Employees Costs	30,807	7,702	7,769	67	Under-occupancy has been achieved in all areas other than Gold and Control. The mobilisation project includes funding for the additional costs in Control staffing.	Time has been allocated to create Payroll Monitoring Reports which will provide the detail to these variances.	Under-occupancy funds have been removed to balance the budget. Any further underspends will be set aside to support the budget pressures. Overtime budget is forecast to budget.	(144)
2	Premises Costs	2,356	589	925	336	Significant commitments (£549k) have been made at the start of the new year. Underspends on Electric - £24k Overspend on rates +£42k	Utility prices are being monitored closely due to issues in the Middle East	Actual expenditure will come in line with the forecast as we move through the year. Close budget management will try to offset budget pressures but it is too early to forecast this accurately.	19
3	Supplies & Services	4,433	1,108	1,286	178	Significant commitments (£511k) have been made at the start of the new year. Underspends -£154k FireLink Overspend +£18k Telephone rental various under/overspends under £5k		Actual expenditure will come broadly in line with the budget as we move through the year.	(126)

Ref	Description	Revised Budget 26/27 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000	Narrative	Correction Action	Anticipated Outcome	Forecast Outturn Variance £'000
4	Transport Costs	859	215	671	456	Significant commitments (£442k) have been made at the start of the new year. Current underspend on vehicle repairs, maintenance & parts -£20k Overspend on tyres +£8k	Inflation on fuel is being monitored closely due to issues in the Middle East	Actual expenditure will come broadly in line with the budget as we move through the year.	(12)
5	Support Services	504	126	86	(40)	Accruals relating to 25/26 expenditure that have not come through yet.			(2)
6	Income	(486)	(122)	(377)	(256)				1
	Sub Total Operational Budgets	38,472	9,618	10,360	742				(264)
7	Capital Finance Costs	1,267	46	61	15			Assume that capital charges will be inline with budgeted.	0
8	S31 Grants	(1,247)	(312)	(26)	286			Assume that S31 Grants will be inline with budgeted.	0
9	S31 Grants - Pension	(1,063)	(1,063)	(823)	240	Govt have paid 80% of the grant this is £28k pressure on the budget	Awaiting Scape Rate Info		28
10	Contribution from Reserves	(652)	0	0	0			Appropriate adjustments are made at the year end.	0
	TOTALS	36,778	8,289	9,573	1,283				(237)

Comparison of Expected and Actual Expenditure and Income to 30th June 2026

APPENDIX 2

Chief Fire Officer / Treasurer							Status	Count		
Progress Against Capital Budget 2026/2027				Corrective action may be required			Adverse variance gretae than +2%	5		
Actual Position as at:				Possible virement/service enhancement			Favourable variance greater than -2%	20		
30th June 2026				On target			Variance between +/- 2%	19		
Ref	Description	Budget 26/27 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
1	Arial Ladder Platform (A6)	674	0	687	687	13	Final inspection of scania chasis to take place in Finland 1st September prior to shipping to UK for fit out. Delivery to CFB expected December 2026. Crew training to commence January 2027, with new Aerial Ladder Platform in operation by March 2027.	Overspend	687	13
2	30 Mobile Working Devices	37	0	37	37	0	Tablets received for new Community Safety System. Further tablets for new Mobilising and Incident Command system due December 2026.		37	0
3	2 Climate Change - Site Decarbonisation	289	0	0	0	-289			0	-289
4	4 Water Tenders (Rescue Pumps)	551	562	14	576	25	Complete. Introduced into service in May 2026.	Complete overspend	576	25
5	Fuel Pump Management System	8	0	0	0	-8	Complete.	Complete - underspend	0	-8
6	4 ladders	5	0	0	0	-5	Complete.	Complete - underspend	0	-5

Ref	Description	Budget 26/27 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
7	Wildfire Vehicle	100	0	100	100	0	Specification in progress prior to procurement. Due in service by March 2027.		100	0
8	Drill Tower Replacement + ladder Grangetown	133	0	26	26	-107	Drill Tower procurement in progress. Contract award expected in October 2026. Construction of tower on site in January 2027.		26	-107
9	Clean Cab Appliances (20)	200	0	200	200	0	Contract awarded.		200	0
10	Fire Appliance CCTV Upgrade	20	0	36	36	16	In progress. 5 appliances completed, with a further 3 in progress.	Expected overspend of £50k to undertake upgrade of full fire appliance fleet.	70	50
11	Fire Control Mobilising System	599	0	557	557	-42	In progress, due Nov 2026.		557	-42
12	Drill Tower Replacements and Ladders (Hartlepool)	50	0	0	0	-50	Drill Tower Review Underway-repairs only		0	-50
13	Drill Tower Replacements and Ladders (Stockton)	50	0	0	0	-50	Drill Tower Review Underway - repairs only		0	-50
14	17 Departmental Vehicles	401	0	401	401	0	On hold awaiting Project Aspect review of non-response vehicles.		401	0
15	Departmental Vehicles (Electric)	100	0	100	100	0	On hold awaiting Project Aspect review of non-response vehicles.		100	0
16	Redcar Heating Pipework Refurbishment	39	0	21	21	-18		Complete - awaiting final payment	21	-18
17	Dry Suits	1	0	0	0	-1		Complete - Awaiting delivery and billing of final suits	0	-1
TOTAL SLIPPED SCHEMES		3257	562	2179	2741	-516			2775	-482

Retentions										
	Drill Tower Replacements and Ladders (Guisborough)	22	0	15	15	-7	Complete.	Retention £15,085	15	-7
	Drill Tower Replacements and Ladders (Skelton)	22	0	15	15	-7	Complete.	Retention £15,085	15	-7
		44	0	30	30	-14			30	-14
TOTAL PRIOR SCHEMES		3301	562	2209	2771	-530			2805	-496
Ref	Description	Budget 26/27 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
18	Personal Protective Equipment (Fire Kit)	828	0	0	0	-828	Full PPE replacement project. Awaiting release of NFCC National PPE Framework.		0	-828
19	Fire Behaviour Training Unit	1025	0	140	140	-885	Research and development of options in progress. Costs of fire house repairs estimated cost £140k		140	-885
20	20 Digital Advertising Screens	20	0	20	20	0			20	0
21	Redcar Emergency Generator Upgrade	24	0	24	24	0			24	0
22	Gym Equipment Coulby	22	0	22	22	0			22	0
23	Hartlepool Garage Refurbishment	49	0	49	49	0			49	0
24	Tec Hub Resource Garages Conversion	201	0	201	201	0	Options appraisal underway due to additional costs.		201	0
25	Tech Hub Mezannine Conversion	60	0	60	60	0	Options appraisal underway due to additional costs.		60	0
26	34 Defibrillators	28	0	18	18	-10			18	-10
27	Technical Hub Emergency Generator Upgrade	40	0	40	40	0			40	0
28	Skelton Emergency Generator Upgrade	18	0	18	18	0			18	0
29	Respirators	14	0	0	0	-14			0	-14

Ref	Description	20	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
30	Prime Mover	280	0	285	285	5	Contract awarded to Emergency One. Due for delivery March 2027.	overspend	285	5
31	Bodyworn Cameras (80)	48	0	48	48	0	Project to commence September 2027.		48	0
32	36 x Mobile Data Terminals (MDTs)	148	0	148	148	0	Joint procurement with County Durham & Darlington FRS scheduled to take place by December 2026.	Aligned with new Fire Control	148	0
33	Decontaminants 7 WT Stations	350	0	0	0	-350	Awaiting review of requirements.		0	-350
34	Decontaminants 6 OnCall Stations	180	0	0	0	-180	Awaiting review of requirements.		0	-180
35	3 water Tenders	1039	0	1162	1162	123	Contract awarded to Emergency One. Due for delivery March 2027.	overspend	1162	123
36	Water Tender (CARP Replacement M1)	350	0	387	387	37	Contract awarded to Emergency One. Due for delivery March 2027.	overspend	387	37
37	Water Tender (CARP Replacement B4)	350	0	387	387	37	Contract awarded to Emergency One. Due for delivery March 2027.	overspend	387	37
38	14 Tyre Compressor	12	0	4	4	-8	Order placed.	Expected underspend	4	-8
39	50 Life Jackets	7	0	0	0	-7	Review undertaken defer 2031/32	Defer	0	-7
40	52 Gas Tight Suits	43	0	0	0	-43			0	-43
41	2 Climate Change - Site Decarbonisation	200	0	0	0	-200			0	-200
42	A0 Plotter	13	0	0	0	-13	Replacement due January 2027.		0	-13
43	135 Fireground Radios & BA Comms	89	0	0	0	-89	Project to commence January 2027.		0	-89
44	Departmental Vehicles	114	0	0	0	-114	On hold awaiting Project Aspect review of non-response vehicles.		0	-114
TOTAL NEW SCHEMES		5572	0	3013	3013	-2539			3013	-2539
OVERALL CAPITAL PROGRAMME		8873	562	5222	5784	-3069			5818	-3035