

**PROGRESS AGAINST REVENUE AND CAPITAL
BUDGETS 2024/2025****REPORT OF THE CHIEF FIRE OFFICER****For Information****1. PURPOSE OF REPORT**

- 1.1 To report progress against the approved 2024/25 Revenue and Capital Budgets as at 31 January 2025, and the associated forecast outturn.

2. RECOMMENDATION

- 2.1 That Members note the budget position as at 31 January 2025.

3. REVENUE POSITION AT 31 JANUARY 2025

- 3.1 The Authority continues to operate in an uncertain financial environment as one year Government grant allocations continue.
- 3.2 The report will advise 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.
- 3.3 The national Grey Book pay award at 4% exceeds the budget forecast of 3%, which increases recurring costs by £0.217m. In 2024/25 this additional cost can be managed within the overall budget, although this reduces financial flexibility to manage any other financial risks which may arise.
- 3.4 The national Green Book pay award at £1,290 up to ScP43 and 2.5% on ScP43 and above. This supports the lowest paid as translates to 5.77%. In financial terms the overall impact of this pay offer is £28,000 less than we have provided in the budget.
- 3.5 Since the budget was set the financial environment has remained challenging and inflation has remained higher, for a longer period than forecast.
- 3.6 The overall position on revenue budgets at the end of January 2025 is detailed in Appendix 1 and shows a current underspend
- in relation to pay budgets there is a small overspend owing to under-occupancy levels, offsetting grey book pay award pressure.

- the phasing of commitments on premises, supplies and services, transport costs and support services where orders are placed in advance of goods received, not all commitments will be fulfilled by 31 March 2025.

Forecast overspend on supplies and service relates to:

- new Occupational Health contract (+£42k)
- Data Barring Service increased checks (£17k),
- Hydrant repair and maintenance (£20k backlog catchup),
- PPE review (£33k)

- Transport costs underspend relating to Derv and Vehicle Maintenance

Income is running ahead of budget, receipt of the Protection Uplift Grant (-£92k) as well as some additional income recovery relating to:

- workshop recharges (-£18k),
- sales/fees/charges (-£51k),
- recovery of staff costs (-£20k)

- Receipt of an unbudgeted Section 31 Grant in relation to McCloud Pension Remedy work. (-£74k)

3.7 As outlined to Members at the Executive meeting 15th November, the recommended outturn strategy for using the forecast managed budget underspend will strengthen the Authority's financial position.

- Fund the in-year impact of the 2024 Grey Book pay settlement exceeding budget provision. (£217k)

This is being met from the under-occupancy underspend in year. An assessment of the outturn for all areas has been completed and there is a forecast uncommitted year end underspend of -£141k.

This amount may need to be allocated to fund commitments that arise before the end of the current financial year. Details will be reported when the outturn for 2024/25 is known.

4 CAPITAL POSITION AS AT 31 JANUARY 2025

4.1 The capital programme for 2024/25, updated in line with Fire Authority Report 14 February 2025, has been rephased for projects planned for delivery this financial year, includes budget amendments relating to market forces and inflation, and the removal of schemes known to be undeliverable by 31 March 2025.

4.2 The capital budget for 2024/25 is now **£5.372m** comprising 39 schemes.

4.3 Six schemes have been removed as deferred to 2025/26.

4.4 A summary of activity is presented in the table below.

Summary	January
Not yet started	2
Commenced planning & procurement activity	1
Orders placed awaiting delivery	4
Partial delivery/ partial payment	1
COMPLETE	11
Deferred to 25/26 Underway	13
To Defer to 25/26 Not Started	7
Approved at Exec Deferred to 25/26	6
Total Schemes	45

4.5 Actual spend including commitments at 31 January was £1.385m with a further £1.600m forecast by the end of the financial year. The forecast outturn position on the capital programme is currently a year-end underspend of **£2.387m**.

4.6 This amount consists of three elements, including a further element of capital expenditure to be deferred to 2025/26, as summarised below:

	£'m
Schemes which will overspend	0.148
Capital costs in relation to the replacement of BA Sets scheme 30 and BA Compressors scheme 13 will exceed the budget provision and these costs account for the majority of this amount.	
Schemes which will underspend	(0.023)
A small number of schemes are complete and have been delivered below the budgeted level.	
Schemes which will be rephased from 2024/25 to 2025/26	(2.512)
Capital schemes have longer lead times than revenue spending and a number of schemes will see expenditure deferred to 2025/26 – these are coloured peach on appendix 2	
Year-end outturn – underspend	(2.387)

- 4.7 The financial position and progress for each project in the capital programme for 2024/25 is shown at Appendix 2.
- 4.8 There are no other significant issues to bring to Member’s attention at this time.

**PETER RICKARD
KRISTINE WARD
SIMON WEASTELL**

**CHIEF FIRE OFFICER
ACFO STRATEGIC PLANNING & RESOURCES
ACFO COMMUNITY PROTECTION**

Comparison of Expected and Actual Expenditure and Income to 31st January 2025							APPENDIX 1
Chief Fire Officer / Treasurer					Status	Count	Month
Progress Against Revenue Budget 2024/2025		Corrective action may be required			Adverse variance greater than +2%	2	9
Actual Position as at:		Possible virement/service enhancement			Favourable variance greater than -2%	4	
31st January 2025		On target			Variance between +/- 2%	4	
Ref	Description	Revised Budget 24/25 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000	Comments	Forecast Outturn Variance £'000
1	Employees Costs	29,619	22,215	22,446	231	Pay Inflation utilised Pay award pressure 1% Grey Book	40
2	Premises Costs	2,248	1,686	2,032	347	Not all commitments will clear by 31/3/25	(0)
3	Supplies & Services	2,444	1,833	2,746	912	Not all commitments will clear by 31/3/25	133
4	Transport Costs	863	647	867	219	Not all commitments will clear by 31/3/25	(59)
5	Support Services	463	347	461	113	Not all commitments will clear by 31/3/25	(6)
6	Income	(892)	(669)	(1,090)	(421)		(195)
	Sub Total Operational Budgets	34,746	26,059	27,461	1,402		(86)

Ref	Description	Revised Budget 24/25 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000		Forecast Outturn Variance £'000	Forecast Outturn £'000
7	Capital Finance Costs	1,008	650	650	(0)		0	1,008
8	S31 Grants & Services Grant	(1,936)	(1,143)	(1,896)	(753)		0	(1,936)
9	S31 Grants - Pension	(1,059)	(1,059)	(1,134)	(74)		(74)	(1,134)
10	Contribution from Reserves	365	0	0	0	In relation to Invest to Save Projects	(231)	134
						Expenditure Commitments delayed to 25/26		
						Fund Invest to Save Projects	251	251
						Fund shortfall in Inflation Provision		
	TOTALS	33,124	24,508	25,082	574	Not all commitments will clear by 31/3/25	(141)	0

Comparison of Expected and Actual Expenditure and Income to 31st January 2025										APPENDIX 2
Chief Fire Officer / Treasurer							Status	Count		
Progress Against Capital Budget 2024/2025		Corrective action may be required					Adverse variance greater than +2%	5		
Actual Position as at:		Possible virement/service enhancement					Favourable variance greater than -2%	21		
31st January 2025		On target					Variance between +/- 2%	13		
Ref	Description	Budget 24/25 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Anticipated Outcome	Forecast £'000	Forecast Variance £'000	
1	Hartlepool Garage Refurbishment	49	0	0	0	(49)	Expected 25/26.	0	(49)	
2	Arial Ladder Platform (A6)	300	0	200	200	(100)	Contract awarded at £849k in Jan 2025. Project start date 1st March 2025. Likely that £200k chassis element will not now be due until 25/26. To be confirmed in March 2025.	200	(100)	
3	17 Departmental Vehicles	429	150	28	178	(251)	6 EV's delivered. H&W Fitness Van due Mar 2025. Remainder expected 25/26.	178	(251)	
4	Tec Hub Resource Garages Conversion	220	19	0	19	(201)	Options appraisal underway due to additional costs. Expenditure expected in 25/26.	19	(201)	
5	Tech Hub Mezzanine Conversion	60	0	0	0	(60)	Options appraisal underway due to additional costs. Expenditure expected in 25/26.	0	(60)	
6	Billingham Drill Yard	29	41	0	41	12	Complete Dec 2024 Overspend	41	12	
7	6 Departmental Vehicles (Electric)	150	0	0	0	(150)	Expected 25/26.	0	(150)	
8	4 Water Tenders (Rescue Pumps)	620	0	400	400	(220)	Contract awarded Oct 2024. Likely that initial £400k chassis element will not now be due until 25/26. To be confirmed in March 2025. Cost for chassis 24/25. Body costs expected in 25/26.	400	(220)	
9	74 Hydraulic RTC Tools	500	0	0	0	(500)	Contract awarded Jan 2025 at a cost of £335k (giving underspend of £165k). Expenditure not due until 25/26.	0	(500)	

Ref	Description	Budget 24/25 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
10	Coulby Newham Refurbishment	80	40	0	40	(40)	On hold pending options appraisal underway due to additional costs relating to new building regulations etc	40	(40)
11	High Volume Foam Pump	22	0	0	0	(22)	Underspend - No longer required following Foam Review .	0	(22)
12	34 Defibrillators	28	0	28	28	0	Research in progress. Project will not complete until 25/26.	28	0
13	5 BA Compressors	63	63	0	63	0	Complete Nov 2024.	63	0
14	2 Electronic Security Gates Redcar	24	26	0	26	2	Complete Dec 2024.	26	2
15	2 Electronic Security Gates Billingham	24	23	0	23	(1)	Complete Sep 2024.	23	(1)
16	Drill Tower Replacements and Ladders (Hartlepool)	150	18	4	21	(129)	Planning application approved, although costs still to be determined due to Victorian sewer discovered underneath station yard, due for completion 25/26	21	(129)
17	Drill Tower Replacements and Ladders (Stockton)	150	12	4	15	(135)	At civils cost negotiation with Contractor stage - current cost is £202k, due to demolition planning stipulations, due for completion 25/26	15	(135)
18	Drill Tower Replacements and Ladders (Guisborough)	176	15	4	18	(158)	At civils cost negotiation with Contractor stage - current cost is £176k, due to demolition planning stipulations, due for completion 25/26	18	(158)
19	Drill Tower Replacements and Ladders (Skelton)	126	13	4	17	(109)	At civils cost negotiation with Contractor stage - current cost £113k, due for completion 25/26	17	(109)
21	Fire Control Mobilising System	907	261	409	670	(237)	In progress, due Mar 2026.	670	(237)
23	Billingham Appliance Bay Doors	65	0	67	67	2	Awaiting procurement decision on best route to market	67	2

Ref	Description	Budget 24/25 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
24	Loftus Roof Refurbishment	35	53	0	53	18	Complete - overspend	53	18
25	Technical Hub Emergency Generator Upgrade	40	0	0	0	(40)	Aligned to #4 & #5. Delayed until 25/26	0	(40)
26	Skelton Emergency Generator Upgrade	18	0	0	0	(18)	Awaiting procurement decision on best route to market. Delayed until 25/26.	0	(18)
27	Redcar Heating Pipework Refurbishment	167	132	35	167	0	Complete - awaiting final payment	167	0
28	Hose Reel Branches	32	32	0	32	0	Complete	32	0
30	BA Equipment	315	429	0	429	114	Scheduled to go live in Apr 2025	429	114
32	26 Electric Charging Points	12	0	12	12	0	In progress. Smartphone App to permit staff EV charging due for rollout in Mar 2025.	12	0
33	Foam Equipment	188	16	172	188	0	Order placed awaiting delivery date	188	0
34	117 Vehicle Trackers	17	0	17	17	0	Complete (additional cost relates to system commissioning)	17	0
35	Fire Appliance CCTV Upgrade	51	0	0	0	(51)	Delayed until 2025/26	0	(51)
36	Mobile Workshop Van	44	44	0	44	0	Complete	44	0
37	Rescue Boat	41	0	41	41	0	Ordered. Delivery due Feb 2025.	41	0
38	20 Digital Advertising Screens	20	0	0	0	(20)	Delayed until 2025/26	0	(20)
39	1000 Personal Protective Equipment (Fire Kit)	138	0	138	138	0	Replacement of kit over 8 years old in progress, due for completion by end Mar 2025.	138	0
40	Redcar Emergency Generator Upgrade	24	0	0	0	(24)	Awaiting procurement decision on best route to market. Delayed until 25/26.	0	(24)

Ref	Description	Budget 24/25 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
41	Gym Equipment Coulby	22	0	0	0	(22)	On hold, awaiting outcome of #10. Delayed until 25/26.	0	(22)
42	Dry Suits	25	0	25	25	0	Approved at ELT Finance (from underspend)	25	0
44	Powered Respirators	14	0	14	14	0	Approved at ELT Finance* (from underspend)	14	0
	TOTAL ALL SCHEMES	5,372	1,385	1,600	2,985	(2,387)		2,985	(2,387)
Ref	Deferred to 2025/26	Budget 24/25 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Anticipated Outcome		
20	2 Climate Change - Site Decarbonisation	233	0	233	233	0	New estate-wide drying rack system due for delivery end Mar 25. Other climate change projects on hold until 25/26		
22	36 x Mobile Data Terminals (MDTs)	148	0	0	0	(148)	Deferred to 25/26 to align with new Fire Control		
29	Fuel Pump Management System	45	0	45	45	0	Out to Tender.		
31	30 Mobile Working Devices	45	0	45	45	0	Delayed until 2025/26		
43	Fire House Balconies	0	0	77	77	77	Value to be firmed up. Expenditure 25/26		
45	Cyber Security Infrastructure Upgrades	0	0	75	75	75	Expenditure 25/26		