

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

- 1.1 To report progress against the approved 2025/26 Revenue and Capital Budgets as at 30 June 2025, and the associated forecast outturn.

2. RECOMMENDATION

- 2.1 That Members note the budget position as at 30 June 2025.

3. REVENUE POSITION AT 30 JUNE 2025

- 3.1 The Authority continues to operate in an uncertain financial environment as one year Government grant allocations continue.
- 3.2 The February MTFS report advised the Authority that saving proposals had to be implemented to help address the 2025/26 budget deficit. Whilst, these changes could be implemented without impacting on services, they reduce financial flexibility and require the Chief Fire Officer to manage the revenue budget extremely carefully throughout 2025/26.
- 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.
 - A comprehensive review of non-pay budgets identified efficiencies from historic underspends and some budget rationalisation.
- 3.3 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. The MTFS therefore highlighted the financial risk of actual national pay awards exceeding the provision made within the 2025/26 budget.
- 3.4 The national Grey Book pay award was approved (NJC/3/25) in May 2025 at 3.2% for pay and allowances. The agreement included the removal of the trainee rate of pay meaning new recruits are immediately placed in development pay.

3.5 Gold Book pay award (Brigade Managers) was approved in June 2025

- £1,500 consolidated uplift on all salaries effective from 1 January 2025.
- A 3.2% uplift on all salaries effective from 1 July 2025.
- Moving the pay review date from 1 January to 1 July.

As a result of moving the pay date, the next pay review date for Brigade Managers will be July 2026, this aids budget planning and monitoring removing the future impact of backdated pay awards and accruals across financial years.

3.6 The impact of the agreements will be noted in the quarter two monitoring report as the agreements are both effective from 1st July 2025.

3.7 The NJC had made a full and final offer of 3.2% on Green Book pay which, for the period of this report, had not been accepted.

3.8 The Government have published the Fair Funding Review 2.0 Consultation (closes 15th August), which officers will work through and update Members in future reports.

One positive statement is

- Once finalised, the changes will be implemented in 2026-27 through the first multiyear Settlement in a decade.

3.9 The overall position on revenue budgets at the end of June 2025 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 underspend owing to occupancy levels which will not continue as a wholetime recruits' course of 14, started in May 2025.

3.10 An assessment of the outturn for all areas has been completed resulting in a small yearend forecast underspend of £0.028m.

4 CAPITAL POSITION AS AT 30 JUNE 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	June
Not yet started	9
Commenced planning & procurement activity	10
Orders placed awaiting delivery	8
Partial delivery/ partial payment	9
COMPLETE	4
Slipped to 26/27 Underway	0
Deferred to 26/27 Not Started	7
Total Schemes	47

- 4.3 Actual spend including commitments at June was £0.239m with a further £4.877m forecast by the end of the financial year. The forecast outturn position on the capital programme is currently a year-end underspend of **£1.961m**. This amount consists of four elements, including an element of capital expenditure to be deferred to 2026/27, as summarised below:

	£'m
Schemes which will overspend	0.097
Capital costs in relation to the replacement of Aerial Ladder Platform scheme 1, 4x Water Tenders scheme 4, Drill Tower replacement Guisborough scheme 30 and Billingham Appliance Bay Doors scheme 39.	
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 8, 11, 38, 42 and 47	(0.081)
Schemes which will be rephased from 2025/26 to 2026/27	
Capital schemes have longer lead times than revenue spending and a number of schemes will see expenditure deferred to 2026/27 – i.e. scheme 5, 13, 33, 34, 37,	(0.603)
Schemes not yet started	(1.374)
Year-end outturn – underspend	(1.961)

- 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 - Director of Strategic Planning, People & Resources

SIMON WEASTELL

ACFO - Director of Service Delivery

Comparison of Expected and Actual Expenditure and Income to 30th June 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%		4		3
Actual Position as at:			Possible virement/service enhancement			Favourable variance greater than -2%		4		
30th June 2025			On target			Variance between +/- 2%		2		
Ref	Description	Revised Budget 24/25 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000	Narrative	Correction Action	Anticipated Outcome	Forecast Outturn Variance £'000	
1	Employees Costs	30,079	7,520	7,349	(171)	Various Budget Pressures have been identified £218k Statutory (pension dashboards , rates) loss of income (Police - Fire Investigation Mgr & vehicle maintenance), invest to save (system upgrades and staffing) These will be prioritised		Under-occupancy funds have been removed to balance the budget. Any further underspends will be set aside to support the budget pressures.	0	
2	Premises Costs	2,337	584	1,028	443	Significant commitments (£518k) have been made at the start of the new year. Underspends on Gas and Electric Overspend on rates and property maintenance		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.	(26)	
3	Supplies & Services	3,828	932	1,502	570	Significant commitments (£604k) have been made at the start of the new year.		Actual expenditure will come broadly in line with the budget as we move through the year.	0	
4	Transport Costs	845	211	678	467	Significant commitments (£343k) have been made at the start of the new year. Current overspend on vehicle repairs and maintenance		Actual expenditure will come broadly in line with the budget as we move through the year.	0	
5	Support Services	481	120	32	(88)			Actual expenditure will come broadly in line with the budget as we move through the year.	0	
6	Income	(603)	(151)	(430)	(280)				(2)	
	Sub Total Operational Budgets	36,968	9,217	10,159	942				(28)	

Ref	Description	Revised Budget 24/25 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000	Narrative	Correction Action	Anticipated Outcome	Forecast Outturn Variance £'000
7	Capital Finance Costs	1,083	296	377	81			Assume that capital charges will be inline with budgeted.	0
8	S31 Grants	(2,417)	(604)	(633)	(28)			Assume that S31 Grants will be inline with budgeted.	0
9	S31 Grants - Pension	(1,063)	(266)	(1,063)	(797)	Pensions Admin Grant 24/25 offsets McCloud expenditure			0
10	Contribution from Reserves	(468)	19	19	0			Appropriate adjustments are made at the year end.	0
	TOTALS	34,103	8,662	8,860	198				(28)

Comparison of Expected and Actual Expenditure and Income to 30th June 2025										APPENDIX 2		
Chief Fire Officer / Treasurer							Status		Count			
Progress Against Capital Budget 2025/2026				Corrective action may be required			Adverse variance gretaer than +2%		4			
Actual Position as at:				Possible virement/service enhancement			Favourable variance greater than -2%		20			
30th June 2025				On target			Variance between +/- 2%		23			
Ref	Description	Budget 25/26 £'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)	825	0	850	850	25	Contract awarded at £849k in Jan 2025. Project start date 1st March 2025. £200k chassis element.		850	25		
2	30 Mobile Working Devices	45	8	37	45	0	Tablets received for new Community Safety System.		45	0		
3	2 Climate Change - Site Decarbonisation	433	2	180	182	-251	Station Drying Racks on order delivery end Aug		182	-251		
4	4 Water Tenders (Rescue Pumps)	840	0	854	854	14	Contract awarded Oct 2024. Body costs in 25/26.		854	14		
5	36 x Mobile Data Terminals (MDTs)	148	0	0	0	-148		Aligned with new Fire Control	0	-148		
6	Fuel Pump Management System	45	0	37	37	-8	On order		37	-8		
7	Departmental Vehicles (Electric)	100	0	0	0	-100	Evaluation of current EVs, prior to procurement. Est Q3		0	-100		
8	26 Electric Charging Points	30	0	16	16	-14		Rolled out June 25 to most stations then underspend	16	-14		
9	10 Standard Lifting Bags	6	0	6	6	0	Specification in progress		6	0		
10	4 ladders	11	0	11	11	0	Order placed Aug		11	0		
11	24 Hydraulic Hose	19	0	0	0	-19		May not be required if new equipment is all battery operated	0	-19		
12	Wildfire Vehicle	100	0	100	100	0	Ops Policy Team working on specification		100	0		
13	Drill Tower Replacement + ladder Coulby	154	0	0	0	-154	Drill Tower Review Underway		0	-154		
14	Prime Mover	280	0	280	280	0	Research underway		280	0		
15	Bodyworn Cameras (80)	48	0	48	48	0			48	0		

Ref	Description	Budget 25/26 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
16	Clean Cab Appliances (20)	200	0	200	200	0			200	0
17	Decontaminants 7 WT Stations	350	0	0	0	-350	On hold pending any potential station reconfiguration.		0	-350
18	Decontaminants 6 OnCall Stations	180	0	0	0	-180	On hold pending any potential station reconfiguration.		0	-180
19	Foam Equipment	172	0	172	172	0	Order placed awaiting delivery date		172	0
20	117 Vehicle Trackers	17	0	17	17	0			17	0
21	Fire Appliance CCTV Upgrade	51	0	51	51	0	First orders placed for new CCTV system.		51	0
22	20 Digital Advertising Screens	20	0	20	20	0			20	0
23	Personal Protective Equipment (Fire Kit)	138	0	138	138	0	Replacement of kit over 8 years old from 2024/25 revenue budget. rollout 93% complete. This amount to be deferred for full PPE replacement project in 26/27.		138	0
24	Fire Control Mobilising System	636	42	585	627	-9	In progress, due Mar 2026.		627	-9
25	Redcar Emergency Generator Upgrade	24	0	24	24	0	Awaiting procurement decision on best route to market.		24	0
26	Gym Equipment Coulby	22	0	22	22	0	On hold, awaiting outcome of Coulby.		22	0
27	Hartlepool Garage Refurbishment	49	0	49	49	0			49	0
28	Drill Tower Replacements and Ladders (Hartlepool)	132	0	0	0	-132	Drill Tower Review Underway		0	-132
29	Drill Tower Replacements and Ladders (Stockton)	138	0	0	0	-138	Drill Tower Review Underway		0	-138
30	Drill Tower Replacements and Ladders (Guisborough)	136	49	142	191	55	In progress. Due for completion July 2025.		191	55
31	Drill Tower Replacements and Ladders (Skelton)	138	52	77	129	-9	In progress. Due for completion June 2025.		129	-9
32	17 Departmental Vehicles	401	0	401	401	0	Evaluation of current EVs, prior to procurement.		401	0

Ref	Description	Budget 25/26 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance £'000
33	Tec Hub Resource Garages Conversion	201	0	0	0	-201	Options appraisal underway due to additional costs.		0	-201
34	Tech Hub Mezzanine Conversion	60	0	0	0	-60	Options appraisal underway due to additional costs.		0	-60
35	Technical Hub Emergency Generator Upgrade	40	0	0	0	-40	Aligned to #33 & #34		0	-40
36	74 Hydraulic RTC Tools	500	86	257	343	-157	Contract awarded Jan 2025 at a cost of £335k (giving underspend of £165k).		343	-157
37	Coulby Newham Refurbishment	40	0	0	0	-40	On hold pending options appraisal underway due to additional costs relating to new building regulations etc		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	0	68	68	3	Awaiting procurement decision on best route to market		68	3
40	34 Defibrillators	28	0	28	28	0	Research in progress.		28	0
41	Skelton Emergency Generator Upgrade	18	0	18	18	0	Awaiting procurement decision on best route to market.		18	0
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)							Funded through revenue contribution			
44	Powered Respirators	14	0	14	14	0	Approved at ELT Finance* (from underspend)		14	0
45	Fire House Balconies	77	0	77	77	0	Approved at ELT Finance* (from underspend).		77	0
46	Cyber Security Infrastructure Upgrades	75	0	75	75	0	Approved at ELT Finance* (from underspend).		75	0
47	Clean Crawl Space POESTs	8	0	0	0	-8		Completed from 24/25 Estates revenue underspend.	0	-8
TOTAL ALL SCHEMES		7077	239	4877	5116	-1,961			5116	-1,961