

**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 30 September 2024, and the associated forecast outturn.

2. RECOMMENDATION

- 2.1 That Members note the budget position as at 30 September 2024.

3. REVENUE POSITION AT 30 SEPTEMBER 2024

- 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 was proposed at 4% and then agreed by the FBU. This 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. The ongoing impact of this settlement is an increase in the forecast deficit for 2025/26 of £0.217m.
- 3.4 A national pay offer has been made to Green Book staff of £1,290 up to ScP43 and 2.5% on ScP43 and above. For the period of this report, the Trade Unions had not accepted this offer, although it has subsequently been accepted and with feature in the Quarter 3 report. The offer targets the lowest paid (5.77%) owing to the impact of the National Living Wage. In financial terms the overall impact of this pay offer is £28,000 less than we have provided in the budget.
- 3.6 Since the budget was set the financial environment has seen some recovery but inflation has remained higher, for a longer period than forecast. Some specific inflationary provision was included in the budget in areas such as utilities, these continue to report on target currently.

- 3.7 The overall position on revenue budgets at the end of September 2024 is detailed in Appendix 1 and shows a current underspend owing to
- in relation to pay budgets there is a current underspend owing to occupancy levels which will not continue as a wholetime recruits' course of 16 started in September 2024.
 - 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.
 - Income is running ahead of budget
 - Receipt of an unbudgeted Section 31 Grant in relation to McCloud Pension Remedy work.
- 3.8 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 an additional forecast of £113k for allocation in the following priority order:

- Fund expenditure commitments delayed from 2024/25 to 2025/26;
 - Fund invest to save projects;
 - Address the shortfall in the approved inflation provision of £166k.
- 3.9 Robust budget management decisions and possible future opportunities to reduce or defer expenditure to support budget pressures will continue to throughout the 2024/2025 monitoring period.

4 CAPITAL POSITION AS AT 30 SEPTEMBER 2024

- 4.1 The capital programme for 2024/25 includes the planned projects for this financial year from the revised Asset Management Plan 2024-2039, together with those projects rephased from 2023/24.
- 4.2 The capital budget for 2024/25 is **£8.782m** comprising 41 schemes. A summary of activity is presented in the table below.

Summary	September
Not yet started	8
Commenced planning & procurement activity	15
Orders placed awaiting delivery	11
Partial delivery/ partial payment	1
COMPLETE	3
Deferred to 25/26	3
Total Schemes	41

- 4.3 Actual spend including commitments at September was £0.735m with a further £6,206m forecast by the end of the financial year. The forecast outturn position on the capital programme is currently a year-end underspend of **£1,841m**. This amount consists of three elements, including an element of capital expenditure to be deferred to 2025/26, as summarised below:

	£'m
Schemes which will overspend	0.132
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	(0.280)
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	(1.693)
Capital schemes have longer lead times than revenue spending and a number of schemes will see expenditure deferred to 2025/26 – i.e. scheme 2 (£0.625m), scheme 8 (£0.920m), scheme 22 (£0.148m)	
Year-end outturn – underspend	(1.841)

- 4.4 The financial position and progress for each project in the capital programme for 2024/25 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

Comparison of Expected and Actual Expenditure and Income to 30th September 2024						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	6
Actual Position as at:		Possible virement/service enhancement		Favourable variance greater than -2%		4	
30th September 2024		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	28,710	14,355	13,531	(824)	Fund grey Book pay budget exceeding budget provision	(40)
2	Premises Costs	2,248	1,124	1,340	217		(25)
3	Supplies & Services	3,353	1,677	2,177	500		59
4	Transport Costs	863	432	762	331		(30)
5	Support Services	463	232	213	(18)		(4)
6	Income	(892)	(446)	(769)	(323)		(117)
	Sub Total Operational Budgets	34,746	17,373	17,254	(119)		(157)

Ref	Description	Revised Budget 24/25 £'000	Expected YTD £'000	Actuals including commitments YTD £'000	Variance £'000		Forecast Outturn Variance £'000
7	Capital Finance Costs	1,008	650	650	0		0
8	S31 Grants & Services Grant	(1,936)	(1,143)	(1,143)	(0)		0
9	S31 Grants - Pension	(1,059)	(1,059)	(1,134)	(74)		44
10	Contribution from Reserves	365	0	0	0		0
						Expenditure Commitments delayed to 25/26 Fund Invest to Save Projects Fund shortfall in Inflation Provision	113
	TOTALS	33,124	15,821	15,628	(193)		0

Comparison of Expected and Actual Expenditure and Income to 30th September 2024									APPENDIX 2	
Chief Fire Officer / Treasurer							Status	Count		
Progress Against Capital Budget 2024/2025				Corrective action may be required			Adverse variance gretaer than +2%	8		
Actual Position as at:				Possible virement/service enhancement			Favourable variance greater than -2%	2		
30th September 2024				On target			Variance between +/- 2%	31		
Ref	Description	Budget 24/25 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance£ 000
1	Hartlepool Garage Refurbishment	55	6	49	55	0	Design stage		55	0
2	Arial Ladder Platform (A6)	825	0	200	200	(625)	Chassis only	Body costs forecast 25/26	200	(625)
3	17 Departmental Vehicles	383	0	383	383	0	To follow #7		383	0
4	Tec Hub Resource Garages Conversion	220	19	201	220	0	Options appraisal underway		220	0
5	Tech Hub Mezannine Conversion	60	0	60	60	0	Options appraisal underway		60	0
6	Billingham Drill Yard	29	0	29	29	0	Scheduled for completion Oct 2024.		29	0
7	6 Departmental Vehicles (Electric)	135	0	135	135	0	On order - delivery Oct 24		135	0
8	4 Water Tenders (Rescue Pumps)	1,320	0	400	400	(920)	Chassis only	Body costs forecast 25/26	400	(920)

Ref	Description	Budget 24/25 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance£' 000
9	74 Hydraulic RTC Tools	701	0	701	701	0	Scheduled Jan-Mar 25		701	0
10	Coulby Newham Refurbishment	1,457	35	1,422	1,457	0	Options appraisal underway		1,457	0
11	High Volume Foam Pump	22	0	22	22	0			22	0
12	34 Defibrillators	28	0	28	28	0			28	0
13	5 BA Compressors	54	63	0	63	9	Installation scheduled for Nov 2024.		63	9
14	2 Electronic Security Gates Redcar	24	0	26	26	2	Orders placed, currently in manufacture		26	2
15	2 Electronic Security Gates Billingham	24	19	4	23	(1)		Complete	23	(1)
16	Drill Tower Replacements and Ladders (Hartlepool)	154	11	143	154	0	At survey/planning stage	Planning complications indicate a delay into 2025/26	154	0
17	Drill Tower Replacements and Ladders (Stockton)	154	10	144	154	0	At survey/planning stage	Due for completion Apr-Jun 2025.	154	0
18	Drill Tower Replacements and Ladders (Guisborough)	154	13	141	154	0	At survey/planning stage	Due for completion Feb-Apr 2025	154	0
19	Drill Tower Replacements and Ladders (Skelton)	154	11	143	154	0	At survey/planning stage	Due for completion Feb-Apr 2025	154	0

Ref	Description	Budget 24/25 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance£' 000
20	2 Climate Change - Site Decarbonisation	233	0	233	233	0			233	0
21	Fire Control Mobilising System	1,137	11	870	881	(256)	In progress, due Sept 2025		881	(256)
22	36 x Mobile Data Terminals (MDTs)	148	0	0	0	(148)	To follow #21	May defer to 25/26 to align with new Fire Control	0	(148)
23	Billingham Appliance Bay Doors	65	0	67	67	2	Procurement 'route to market'		67	2
24	Loftus Roof Refurbishment	35	0	35	35	0	In progress, due for completion end Oct 2024.		35	0
25	Technical Hub Emergency Generator Upgrade	40	0	40	40	0	Aligned to #4 & #5		40	0
26	Skelton Emergency Generator Upgrade	18	0	18	18	0	Procurement 'route to market'		18	0
27	Redcar Heating Pipework Refurbishment	167	0	167	167	0	In progress, due for completion Nov 2024.		167	0
28	Hose Reel Branches	30	32	0	32	2		Complete	32	2
29	Fuel Pump Management System	45	0	45	45	0	To be undertaken Jan-Mar 2025		45	0
30	BA Equipment	315	404	0	404	89	Scheduled to go live in Jan 25. Additional costs relate to Cab cradle conversions x16		404	89
31	30 Mobile Working Devices	45	0	45	45	0			45	0
32	26 Electric Charging Points	36	0	12	12	(24)	Smartphone App to permit staff EV charging due for rollout in Jan 2025.		12	(24)

Ref	Description	Budget 24/25 £'000	Actuals YTD £'000	Committed / outstanding orders £'000	Total £'000	Variance £'000	Progress to Date	Anticipated Outcome	Forecast £'000	Forecast Variance£' 000
33	Foam Equipment	188	16	172	188	0	Order placed		188	0
34	117 Vehicle Trackers	17	0	17	17	0	additional cost relates to system commissioning	Complete	17	0
35	Fire Appliance CCTV Upgrade	51	0	51	51	0			51	0
36	Mobile Workshop Van	40	44	0	44	4	Ordered. Due for delivery Oct 2024.		44	4
37	Rescue Boat	35	41	0	41	6	Ordered. Due for delivery Nov 2024.		41	6
38	20 Digital Advertising Screens	20	0	20	20	0			20	0
39	1000 Personal Protective Equipment (Fire Kit)	120	0	138	138	18	Replacement of kit over 8 years old in progress, due for completion Jan 2025.		138	18
40	Redcar Emergency Generator Upgrade	24	0	24	24	0	Procurement 'route to market'		24	0
41	Gym Equipment Coulby	22	0	22	22	0	Aligned to project #10		22	0
TOTAL ALL SCHEMES		8,782	735	6,206	6,941	(1,841)			6,941	(1,841)