

**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 June 2024, and the associated forecast outturn.

2. RECOMMENDATION

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

3. REVENUE POSITION AT 30 JUNE 2024

- 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 national pay awards for Grey Book staff (fire fighters) and Green Book staff (support 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 2024/25 budget. This risk was greatest in relation to Grey Book staff as this accounts for 66% (£23m) of the overall budget. The risk in relation to Green Book staff is less as this accounts for 14% (£4.8m) of the overall budget and the key driver for this group was the April 2024 increase in the National Living Wage, which made it easier to forecast this increase.
- 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. Other factors may also change the forecast deficits for 2025/26 and 2026/27, and a full update will be provided later in the year, which will include the impact of the new Government's first budget in October.
- 3.4 The increase in the budget deficit for 2025/26 will be more challenging to manage and the Chief Fire Officer is working on proposal to address the increased deficits. Details will be reported to a future meeting when the overall financial position is more certain.

- 3.5 A national pay offer has been made to Green Book staff of £1,290 up to ScP43 and 2.5% on ScP43 and above. This has not been accepted by the Trade Unions and further negotiations will be needed. The current 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 are reporting on target currently.
- 3.7 The overall position on revenue budgets at the end of June 2024 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 is due to run in September 2024.
- 3.8 An assessment of the outturn for all areas has been completed and it is forecast that expenditure will be broadly in line with the budget.

4 CAPITAL POSITION AS AT 30 JUNE 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	June
Not yet started	16
Commenced planning & procurement activity	6
Orders placed awaiting delivery	10
Partial delivery/ partial payment	2
COMPLETE	4
Deferred to 25/26	3
Total Schemes	41

- 4.3 Actual spend including commitments at June was £0.502m with a further £6.617m forecast by the end of the financial year. The forecast outturn position on the capital programme is currently a year-end underspend of **£1.663m**. 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	0.041
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	
A small number of schemes are complete and have been delivered below the budgeted level.	(0.011)
Schemes which will be rephased from 2024/25 to 2025/26	
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)	(1.693)
Year-end outturn – underspend	(1.663)

- 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.

IAN HAYTON
CHIEF FIRE OFFICER

KAREN WINTER
ASSISTANT CHIEF FIRE OFFICER
STRATEGIC PLANNING & RESOURCES

Comparison of Expected and Actual Expenditure and Income to 30th June 2024								APPENDIX 1	
Chief Fire Officer / Treasurer						Status	Count		Month
Progress Against Revenue Budget 2024/2025			Corrective action may be required			Adverse variance gretaer than +2%	3		3
Actual Position as at:			Possible virement/service enhancement			Favourable variance greater than -2%	3		
30th June 2024			On target			Variance between +/- 2%	4		
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	28,710	7,178	6,698	(480)	Budget Pressures Grey Book 1% additional pay award. +£217k Injury Pension Appeal +£206k DBS Checks for all staff +£18k Powered Respirators +£15k		Under-occupancy funds will be set aside to support the budget pressures and future investment proposals.	(0)
2	Premises Costs	2,248	562	915	353	Significant commitments (£488k) have been made at the start of the new year.		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.	0
3	Supplies & Services	3,353	838	1,718	880	New occupational health contract +£40k		Actual expenditure will come broadly in line with the budget as we move through the year.	(0)
4	Transport Costs	863	216	606	390			Actual expenditure will come broadly in line with the budget as we move through the year.	0

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
5	Support Services	463	116	42	(74)			Actual expenditure will come broadly in line with the budget as we move through the year.	0
6	Income	(892)	(223)	(447)	(224)			£91k Protection Uplift Grant not budgeted	0
	Sub Total Operational Budgets	34,746	8,686	9,531	845				(0)
7	Capital Finance Costs	1,008	743	743	(0)			Assume that capital charges will be inline with budgeted.	0
8	S31 Grants & Services Grant	(1,936)	(1,628)	(1,587)	41			Assume that S31 Grants will be inline with budgeted.	0
9	S31 Grants - Pension	(1,059)	(1,059)	(1,134)	(74)	Pensions Admin Grant 24/25 offsets McCloud expenditure			0
10	Contribution from Reserves	365	0	0	0			Appropriate adjustments are made at the year end.	0
	TOTALS	33,124	6,742	7,553	811				(0)

Comparison of Expected and Actual Expenditure and Income to 30th June 2024

APPENDIX 2

Chief Fire Officer / Treasurer							Status	Count		
Progress Against Capital Budget 2024/2025				Corrective action may be required			Adverse variance greater than +2%	4		
Actual Position as at:				Possible virement/service enhancement			Favourable variance greater than -2%	4		
30th June 2024				On target			Variance between +/- 2%	33		
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	Forecast underspend	383	0
4	Tec Hub Resource Garages Conversion	220	12	208	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	To follow #15		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)
9	74 Hydraulic RTC Tools	701	0	701	701	0	Scheduled Jan-Mar 25		701	0
10	Coulby Newham Refurbishment	1,457	10	1,447	1,457	0	Options appraisal underway		1,457	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
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			63	9
14	2 Electronic Security Gates Redcar	24	0	24	24	0	Order placed		24	0
15	2 Electronic Security Gates Billingham	24	0	24	24	0	Order placed		24	0
16	Drill Tower Replacements and Ladders (Hartlepool)	154	5	149	154	0	At survey/planning stage		154	0
17	Drill Tower Replacements and Ladders (Stockton)	154	3	151	154	0	At survey/planning stage		154	0
18	Drill Tower Replacements and Ladders (Guisborough)	154	3	151	154	0	At survey/planning stage		154	0
19	Drill Tower Replacements and Ladders (Skelton)	154	3	151	154	0	At survey/planning stage		154	0
20	2 Climate Change - Site Decarbonisation	233	0	233	233	0			233	0
21	Fire Control Mobilising System	1,137	3	1,134	1,137	0	In progress, due Jun 2025		1,137	0
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)

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
23	Billingham Appliance Bay Doors	65	0	65	65	0	Procurement 'route to market'		65	0
24	Loftus Roof Refurbishment	35	0	35	35	0	Scheduled late 2024		35	0
25	Technical Hub Emergency Generator Upgrade	40	0	40	40	0	Aligned to #4 & #5		40	0
26	Skelfon Emergency Generator Upgrade	18	0	18	18	0	Procurement 'route to market'		18	0
27	Redcar Heating Pipework Refurbishment	167	0	167	167	0	Contract awarded. Due to start Sep 2024		167	0
28	Hose Reel Branches	30	0	30	30	0	Delivered	Complete	30	0
29	Fuel Pump Management System	45	0	45	45	0	To be undertaken Jan-Mar 2025		45	0
30	BA Equipment	315	307	30	337	22	Scheduled to go live in Oct/Nov 2024. Additional costs relate to Cab cradle conversions x16		337	22
31	30 Mobile Working Devices	45	0	45	45	0			45	0
32	26 Electric Charging Points	36	0	36	36	0			36	0
33	Foam Equipment	188	2	175	177	(11)	Order placed	Forecast underspend	177	(11)
34	117 Vehicle Trackers	17	0	17	17	0	additional cost relates to system commissioning	Complete	17	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
35	Fire Appliance CCTV Upgrade	51	0	51	51	0			51	0
36	Mobile Workshop Van	40	44	0	44	4	Ordered		44	4
37	Rescue Boat	35	41	0	41	6	Ordered		41	6
38	20 Digital Advertising Screens	20	0	20	20	0			20	0
39	1000 Personal Protective Equipment (Fire Kit)	120	0	120	120	0	Options appraisal underway		120	0
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	502	6,617	7,120	(1,663)			7,120	(1,663)