

## Financial Performance to December 2025

### Report of the Treasurer

For further information about this report please contact Jacqueline Dungey, Treasurer, on 01743 260215 or Joanne Coadey, Head of Finance, on 01743 260215.

### 1 Purpose of Report

This report provides information on the financial performance of the Service, and seeks approval for action, where necessary.

### 2 Recommendations

**The Strategy & Resources Committee recommends that the Fire Authority:**

- a) Note the position of the revenue budget;
- b) Approve virements to the revenue budget, where requested;
- c) Approve amendment to capital scheme, and
- d) Note performance against prudential indicators to date in 2025/26.

### 3 Background

This report presents a review of financial performance to date for 2025/26 and covers the monitoring of revenue budgets and the review of treasury management activities, including prudential indicators.

### 4 Revenue Budget

Monitoring continues on the revenue budgets for 2025/26, and a summary of the total position is shown below.

Directorate	Original Budget £'000	Reforecast Budget Qtr2 £'000	Spend £'000	Committed £'000	Balance £'000	Spent %	Variances Qtr2 £'000	Reforecast Budget Qtr3 £'000
<b>Executive &amp; Resources</b>								
Pay	1,934	1,805	1,365	-	440	76%	-24	1,781
Non pay	3,119	3,554	3,265	163	126	96%	-50	3,504
	<b>5,053</b>	<b>5,359</b>	<b>4,630</b>	<b>163</b>	<b>566</b>	<b>89%</b>	<b>-74</b>	<b>5,285</b>
<b>Service Delivery</b>								
Pay	18,487	18,836	14,819	-	4,017	79%	409	19,245
Non pay	279	357	309	58	-10	103%	0	357
	<b>18,766</b>	<b>19,193</b>	<b>15,128</b>	<b>58</b>	<b>4,007</b>	<b>79%</b>	<b>409</b>	<b>19,602</b>
<b>Corporate Governance</b>								
Pay	2,740	2,802	1,732	-	1,070	62%	-58	2,744
Non pay	2,599	2,768	1,817	254	697	75%	175	2,943
	<b>5,339</b>	<b>5,570</b>	<b>3,549</b>	<b>254</b>	<b>1,767</b>	<b>68%</b>	<b>117</b>	<b>5,687</b>
Contribution to Reserves	-2	-415	-	-	-415	0%	-152	-567
Pay and Prices Contingency	404	853	-	-	853	0%	0	853
Capital Income	1,880	880	152	-	728	17%	-200	680
	-1,356	-1,356	-1,420	-	64	105%	-100	-1,456
<b>Total</b>	<b>30,084</b>	<b>30,084</b>	<b>22,039</b>	<b>475</b>	<b>7,570</b>	<b>75%</b>	<b>0</b>	<b>30,084</b>

The position to December can now be reported with exceptions identified shown in the following table:

Service Area	Variance	-Over/ Under £'000
<b>Executive and Resources</b>	<p><b>Executive pay</b>  <b>Structure review</b> – posts vacant during 3rd quarter            S151 Officer – this post has now been filled            Procurement Officer</p> <p><b>Investment Income</b> – increased income due to higher rates of return</p> <p><b>Debt charges</b> – reduced debt charges due to no borrowing, and reassessment of MRP</p> <p><b>Resources</b>  <b>Diesel</b> – reduced fuel prices have resulted in lower costs</p>	15 9 100 200 50
<b>Corporate Governance</b>	<p><b>ICT Pay</b>  <b>Structure review</b> – posts vacant during 3rd quarter            Business Analyst            Data Analyst            Temp Systems Engineer post            2 Systems Analyst posts</p> <p><b>Digital and Data</b> - current budgeted levels in this area are insufficient to cover all systems, technology and security requirements. The budget has been rescoped and will be reflected in future years. Efficiencies have also been identified, and these will be reported</p>	12 12 16 18 -175
<b>Service Delivery</b>	<p><b>Operations Pay</b>  <b>Structure review</b> – posts vacant during 3rd quarter            Health &amp; Safety Manager – this post is currently being recruited</p> <p><b>Control Pay</b>            Funding for staff seconded to the Command &amp; Control system replacement project – Oct to Dec 25</p> <p><b>On Call Pay</b>  <b>Retaining Fee</b> – costs for new contract bandings for on call firefighters are now established and have exceeded estimated costs initially calculated. This is currently being reviewed for budget setting from 2026/27.</p> <p><b>Turnouts</b> – additional costs due to increased activity levels  <b>Additional Hours</b> – additional costs due to increased activity levels</p>	17 -65 -200 -33 -41
	<b>Pensions</b> – associated pension costs for retaining fee and other on call variances	-87
	<b>Total</b>	<b>-152</b>

#### Non-Domestic Rates - clarification

Members were advised at the last meeting in November, that non-domestic rates were to increase following refurbishment at Telford.

Whilst a large proportion of the increase is attributable to Telford, the increase represents movements across the estate from 2023/24 to 2025/26.

Successful appeals of rateable values from 2022/23 generated one off savings that have been added to reserves, and also an efficiency saving of over £100,000, which will be reported as the budget for 2026/27 is finalised.

An adjustment of £400,000 is now required to account for the 2026/27 rates within the revenue budget, therefore a net £300,000 will be added to the budget from 2026/27.

It is not yet clear if there will be opportunity to appeal the more recent rateable values; this will be determined with rates appeals consultants.

Virements that have been approved using powers delegated to the Chief Fire Officer, Treasurer and Head of Finance are shown in the table below

<b>Virement approved</b>	<b>Reserve</b>	<b>£'000</b>
Property valuations for insurance purposes	Buildings Maintenance	13
Continuation of clinical governance arrangements	Training	20
<b>Total</b>		<b>33</b>

The position of the Authority's reserves, including previously approved transfers and the virements above, is shown in the following table.

<b>Reserve</b>	<b>£'000</b>
General	577
Pensions and Other Staff Issues	1,921
Extreme Incidents	219
Major Projects	4,890
ICT	403
Income Volatility	687
Service Transformation Programme Staff	456
Service Delivery	3
Training	152
Operational Equipment	271
Buildings Maintenance	435
Usable Capital Receipts	210
<b>Total</b>	<b>10,224</b>

## 5 Update to Capital Programme

Members approved the 2025/26 capital programme in February 2025, and these schemes have been added to the schemes approved previously that have not yet been completed. The Appendix to the report shows progress on the programme to December 2025.

## 6 2025/26 Prudential Indicators

In line with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance, the Treasurer is required to establish procedures to monitor performance against all forward looking prudential indicators and that net external borrowing does not (except in the short term) exceed the requirement to borrow for capital purposes.

The Fire Authority has established that it will receive regular monitoring reports during the year; the position to the end of December 2025 is shown below.

Indicator	Set 2025/26 £'000	Actual 2025/26 £'000
<b>Capital Financing Requirement</b> This is the amount required by the Authority to fund its capital investment and has increased due to the anticipated borrowing for Telford and other capital schemes. This includes all capital investment expected to be made this year, less any contributions from revenue or grant.	17,378	16,620
<b>Operational Boundary</b> The Boundary represents the capital investment entered into by the Authority, including any loans to be taken during the year. Unlike the Authorised Limit, this may be exceeded, although this would require some investigation.	17,378	5,045
<b>Authorised Limit for External Debt</b> The Authorised Limit represents the amount required to fund the Authority's capital financing, plus a provision for temporary borrowing, should the receipt of revenue money be delayed, although this should happen very rarely. Borrowing currently stands at £5.045, well within the indicator. No temporary borrowing has been necessary.	20,378	5,045

## **Current Investments**

Funds currently invested are shown below:

<b>Counterparty</b>	<b>£m</b>
South Lanarkshire Council	2.00
Telford and Wrekin Council	2.00
Handelsbanken	1.40
Central Bedfordshire Council	2.00
Debt Management Office	0.20
<b>Total</b>	<b>7.60</b>

The Authority's Treasury advisors view other local authorities as safe counterparties as they are unlikely to go bust, however Treasury staff monitor any issues very closely.

Handelsbanken is a Swedish bank which remains on the Authority's current acceptable counterparties list for investment.

The interest on investments earned to the end of November is £255,165 – an average rate of return of 4.12%.

## **7 Financial Implications**

The financial implications are as set out in the main body of the report.

## **8 Legal Comment**

There are no direct legal implications arising from this report.

## **9 Initial Impact Assessment**

An Initial Impact Assessment has been completed.

## **10 Appendix**

Capital Programme Monitoring to December 2025

## **11 Background Papers**

There are no background papers associated with this report.

Capital Budget Monitoring 2025/26

Project	Scheme Description	Owner	Budget £'000	Total £'000	Spend £'000	Commitments £'000	Balance £'000	Progress as at 30 November 2025
On Call Sustainability	Training and Development Facilities			1,189			1,189	Initial project scoping underway following approval of the Training Facilities Review. Technical team procurement specification being developed for issue in January 2026.
Resources	Replacement of Prime Mover, Water Carrier, Environmental and Foam Pods (Outcome of Water Review)	MB		400		334	66	Water carrier has been ordered with build to start in Jan 26. This will replace Bridgnorth's water carrier. £334k is the base vehicle price, there is approx £26k of additions i.e. x2 10,000 litre water dams to replace life expired equipment. The environment pod element of this project is still outstanding, though the current pod and vehicle are in good condition they are old (2003). A large van is looking like the preferred option and will be more cost effective. The remaining budget will not facilitate this though the reserve rescue tender budget will leave underspend, this will be clearer when tender returns for than appliance have been received.
Resources	Review and replacement of reserve rescue tender	MB		500			500	Tender is released using the Blue Light Commercial Procurement Framework. Tender close date is Jan 30th.
Resources	Replacement of ALP (Outcome of Working at Height Review)	MB		1,387			1,387	Potential replacements for this vehicle are currently being reviewed as part of the Community Risk Management Plan
Fire Control	Command and Control System Replacement			275	57		218	
Telford Refurbishment	Major improvements at Telford			2,748	38	0	2,710	Significant progress being made with snagging programme by McPhillips. Additional post handover works identified and in course of procurement.
Telford Refurbishment	Major improvements at Telford - ICT (approved CFA 25/06/25)			25			25	
Telford Refurbishment	Major improvements at Telford - Control (approved CFA 25/06/25)			400			400	Tender process has begun for the AV solution, which is the main part of the Control Room installation. Purchases for furniture and ICT hardware to be completed over the next 6 weeks.
Telford Refurbishment	Major improvements at Telford - Furniture (approved CFA 25/06/25)			48			48	Furniture specifications finalised and procurement options being developed.
New Ways of Working	Integrated Access Control System (approved CFA 11/02/25)		250	250	107		143	Phase 1 of the Access Control system upgrade completed across 6 of the 8 sites planned for 25/6 FY
New Ways of Working	MDT's		286	286		446	-160	Order has been placed for implementation, development and set up costs for MDT software
	MDT Hardware		160	160				Order placed for replacement MDT devices.
New Ways of Working	Emergency Mobile Comms - LTE Network			248			248	This scheme has been rescoped and will now be used for replacement of network switches and MDT hardware
New Ways of Working	WT and On call Station Building Works		300	1,109	213	2	894	Replacement windows and doors programme now completed at the 9 stations in line with security requirements and linked in with Phase 1 of the Integrated Access Control system works.
	Network Switches		92	92				Order placed for replacement switches.
New Ways of Working	IT Infrastructure		120	120	83	15	22	Orders have been placed for hardware replacement programme and purchase made for handsets
New Ways of Working	Alerters and Station End Equipment			52	5	14	34	
New Ways of Working	Replacement of Appliances - 24/25 replacements	MB		0			0	Complete
New Ways of Working	Replacement of Appliances - 25/26 replacements	MB	140	140	53		87	Complete
New Ways of Working	Replacement of Appliances - 23/24 replacements	MB		0			0	Complete
New Ways of Working	Vehicle Brake Roller	MB		8	7		1	Complete
New Ways of Working	Mobile Devices for Operational Intelligence			60			60	
New Ways of Working	BA Upgrade			225			225	Options for this upgrade are being reviewed by Senior Management Team, with a decision expected by the end of January
New Ways of Working	Officers Emergency Response Vehicles	MB	304	304	7		297	The first batch of FDO cars is due in Nov 2026. Diesel cars are increasingly being phased out by manufacturers in favour of petrol, hybrid or full EV, a blended approach is favoured rather than a full move to EV for all car users to address suitability. Extensive work on internal charging infrastructure is required.

New Ways of Working	Light vehicle replacements	MB	120	126	18	20	88	A light van for the Group Support Team has been ordered. Order has been made for EV Corsa for Fire Safety. Three hybrid Ford Kugas for Training, Workshops and Fire Safety will also be ordered. These will replace x4 diesel vehicles which will be disposed of via auctioneer.
New Ways of Working	Hydraulic Equipment replacement	MB	70	95			95	This equipment has been delivered and is being rolled out to stations.
New Ways of Working	Replacement of Fire Safety Vehicles	MB		15			15	Complete The balance of this scheme will be transferred to complete the light vehicle replacement scheme
New Ways of Working	Decontaminant Equipment Review			100			100	
New Ways of Working	Trauma equipment for officers' emergency response vehicles			14	14		0	
CRMP Outcomes	Light Pumping Unit	MB		500			500	Options for this vehicle are being reviewed as part of development of requirements to meet the CRMP
CRMP Outcomes	Specialist Water Rescue Assets	MB		200			200	This will replace the SY boat towing van, station engagement has started and options are being investigated, it is likely that the replacement will be another 4x4 large van with some enhancements i.e. a permanently mounted winch and an enhanced wading capability.
CRMP Outcomes	Electric Vehicle Fire Provision	MB		200			200	Operational requirements for equipment for appliances to be confirmed
CRMP Outcomes	Working at Height - Rope Rescue Vehicle and Equipment	MB		80			80	Options for this vehicle are being reviewed as part of development of requirements to meet the CRMP
	Helmet Replacement		200	200			200	
	<b>Total</b>		<b>2,042</b>	<b>11,556</b>	<b>588</b>	<b>833</b>	<b>9,414</b>	