

**NON-CONFIDENTIAL REPORT**

**EAST SUSSEX FIRE AND RESCUE SERVICE**

**Meeting** Scrutiny & Audit Panel

**Date** 30 January 2020

**Title of Report** Capital Programme Slippage 2019/20

**By** Assistant Director Resources / Treasurer & Assistant Director Operational Support and Resilience

**Lead Officer**

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**Background Papers** 2019/20 Revenue Budget and Capital Programme Monitoring – Policy & Resources Panel 16 January 2020 Item 23

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**Appendices** 1. Analysis of Capital Programme Slippage 2019/20

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**Implications**

<b>CORPORATE RISK</b>		<b>LEGAL</b>	
<b>ENVIRONMENTAL</b>		<b>POLICY</b>	
<b>FINANCIAL</b>	✓	<b>POLITICAL</b>	
<b>HEALTH &amp; SAFETY</b>		<b>OTHER (please specify)</b>	
<b>HUMAN RESOURCES</b>		<b>CORE BRIEF</b>	
<b>EQUALITY IMPACT ASSESSMENT</b>			

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**PURPOSE OF REPORT** To provide additional analysis of the reasons for the level of slippage in the 2019/20 Capital Programme as requested by Policy & Resources Panel.

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**EXECUTIVE SUMMARY** At £7.7m the agreed Capital Programme for 2019/20 was significantly more ambitious than any previously delivered by the Authority. The risk to delivery of the programme has been highlighted in successive monitoring reports to SLT and Members. The forecast underspend has increased progressively through the year as set out below

P&R 30 Jan 2020 = £4.232m (55%)  
P&R 31 Oct 2019 = £2.214m (29%)  
CFA 5 Sept 2019= £0.952m (13%)  
P&R 25 July 2019 = £0.070m (0%)

Underspends in the Capital Programme generally comprise two elements – where projects are delivered under budget

and where scheme spend is delayed (slippage). In this case the vast majority of the forecast underspend is due to slippage. The root causes of this position are due to a range of factors but they can be summarised as follows:

- Lack of available project management capacity
- Time spent in engagement with staff as individual schemes are developed
- Conscious decisions to delay or re-phase schemes to allow service requirements to be reviewed and updated to ensure current and future need is met and best value is delivered
- Impact of partnership working including additional complexity and partners reviewing their requirements (particularly as a result of the national announcements around additional policing numbers)

It would be fair also to say that there was a degree of over optimism on our ability to deliver a programme on such a significantly increased scale.

A more detailed analysis is provided in Appendix 1.

In reviewing these factors, SLT has taken the following action:

- Additional project management capacity has been secured in both Estates and Fleet / Engineering, funded from within existing scheme budgets
- Approved the development of a shared estates and FM service with Sussex and Surrey Police which gives us access to further project management resource
- Endorsed the approach to staff engagement through the Estates Strategy which has been positively received and is vital in ensuring, along with the Design Guide, that the built estate is fit for purpose
- Agreed that the Estates Programme be re-profiled for delivery over eight years rather than six as originally planned
- Agreed changes to the Fleet Programme to better reflect the Service's changing needs
- Worked closely with partners to ensure that schemes can be progressed, using agreed escalation routes where necessary.

Taken together these actions will improve our ability to deliver what remains a significant capital programme over the next five years (£24.350m). The amount of preparatory work carried out in the current year to lay the groundwork for delivery of projects over the next five years should also not be underestimated. Many projects are either underway or will be ready for delivery through 2020/21.

Members should also note that the Capital Programme will need to be reviewed to reflect the impact of the IRMP once proposals are announced in April and finally confirmed in September 2020. This may require some planned schemes to be paused in the short term whilst final outcomes are awaited.

Delivery of the Capital Programme will continue to be monitored through both regular financial reporting to SLT and Members and through the work of the Programme Management Office.

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**RECOMMENDATION**

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The Panel is recommended to:

- (i) Note the analysis of Capital \programme slippage provided in this report
  - (ii) Consider whether any additional information or reporting is required.
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