

MEDIUM TERM CAPITAL STRATEGY 2024/25 - 2028/29

Overview

The Medium Term Capital Strategy has been developed in line with the Authority's purpose and commitments and its Integrated Risk Management Plan (IRMP). It aims to provide a sustainable and affordable level of investment to support our service provision to the communities of East Sussex and the City of Brighton & Hove. Where decisions have already been taken to change the service (including IRMP), which have capital investment implications, these are reflected in this strategy.

The main areas covered within the strategy are summarised below.

Estates Strategy- Capital Programme

An initial review of the Estates Capital Programme has been carried out in the light of the challenges experienced in its delivery since 2019 which have resulted in significant delay / slippage and the impact of inflation on scheme costs which are likely to make the Programme unaffordable in its current form. This has resulted in a two-phase approach:

- The agreement of short-term priorities to the end of 2024/25 against the capacity and funding available for delivery
- A full review of the Estates Strategy, Design Guide and remaining capital programme in 2024/25

The agreed priorities to the end of 2024/25 are:

- Preston Circus
- Fort Rd Engineering Workshop
- Design Guide Refurbishments at Bohemia Rd, Eastbourne & Roedean
- Maintenance of Live Fire Training Units (LFTU) at Service Training Centre (STC)
- Provision of wet training capabilities at 3 station-based BA Chambers

Planned major schemes to deliver new LFTU and Multi-Purpose Training Hubs will be deferred until after the completion of the Strategic Review of Training with work not starting until 2025/26 at the earliest. This will now include the development of a masterplan for STC.

All other planned Design Guide Refurbishments (at Day Crew and Retained Stations) will be deferred until after a full review of the Estates Strategy, Design Guide and Estates Capital Programme in 2024/25 with the expectation that on grounds of affordability and deliverability the programme will be re-profiled for delivery over a longer period and will consider alternative and more cost effective approaches to achieving improved management of contaminants.

We continue to pursue options for further grant funding and collaboration to reduce the capital cost burden of updating the estate.

Estates Strategy– General Schemes

As noted above further work on Day Crew and On Call stations will commence after the review of the Estates Strategy with priority likely to be given the CIL funded projects at Seaford and Barcombe.

Some capital investment may be brought forward at specific stations where the provision of gender appropriate welfare facilities is a priority.

Estates Strategy – Strategic Schemes

Four years on from the launch of our Estates Strategy in 2018 we have completed our first Design Guide Project at Hove. The new sleeping accommodation is already in use and feedback has been very positive.

These schemes reflect the improvements necessary to deliver the standards set out in the 2018 Design Guide across our estate. The scope includes necessary reordering of internal spaces to mitigate the risk of contaminants, asset improvements to reduce energy consumption and remedial works identified in the condition surveys.

Building on lessons learned from the first project at Hove a revised procurement strategy has been developed to expedite the delivery of the remaining Whole Time Stations during 2024/25.

The new Access Control installation project has taken longer than expected to get under contract with works expected to start at the end of 2023/24 and conclude early in 2024/25. This will provide enhanced security controls across our estate and extends the provision currently in place at Saxon House.

Our Carbon Footprint was established in 2022/23 and works are now underway to establish our Sustainability Strategy with a programme of betterment works to reduce energy consumption and our carbon emissions. This is a service wide initiative with communications to promote behavioural change being led by Estates. Metrics will be published regularly to demonstrate the reductions being made.

Estates Strategy – Shared Investment Schemes

The 2018 Estates Strategy had a programme of property schemes which involved shared investment with partners either through the One Public Estates Programme (East Sussex and Greater Brighton) and the Integrated Transport Function (ITF).

As reported last year, whilst dialogue and a search for opportunities remains ongoing, commitment from partners has not been forthcoming. There remains potential for SECamb to take space at Eastbourne and Roedean.

Integrated Transport Function (ITF) – South East Hub Workshop

The Authority has approved a new scheme for the refurbishment of the vacant Fort Rd site in Newhaven into an Engineering Workshop as part of the wider ITF collaboration. This £2.059m scheme will be funded in part by Fire Transformation Fund Grant of £1.5m. Subject to planning permission works are expected to start in May 2024 and

be completed by March 2025. Associated betterment works at the smaller vehicle workshops is expected to be complete by the end of 2023/24.

Preston Circus Fire Station

A main contractor has been appointed through the SCAPE framework to design and build the refurbishment works. Additional funding of £1.6m has been agreed taking the total scheme cost to £4.9m. A decant plan to move crews and appliances to Dyke Rd Barracks has also been agreed. This will enable works to commence before the end of 2023/24 with completion expected in the autumn of 2024.

Fleet and Equipment Strategy

The Authority has a rolling programme of replacing its vehicle fleet in line with its agreed lifing policy. In September 2023 SLT agreed to extend the replacement cycle of light fleet (cars and vans) from 7 to 9 years.

The fleet and equipment strategy encompasses fire appliances (approximately three each year), aerial appliances, ancillary vehicles and the light fleet. An interim review of the fleet replacement programme was carried out in 2018/19 and reduced the total number of appliances required by three. As a result of the IRMP it was agreed to remove the Water tenders from 5 day crewed stations including 3 water tenders from Rye, Battle and Lewes. Eastbourne has one additional appliance introduced called a P2 (Papa 2), and there are plans to introduce a P2 at Hastings. The three Appliances from Day crewed stations Bexhill, Newhaven & Crowborough would become operational spares for use across the entire county to maintain resilience in ensuring the risk profile of having 18 ORP pumps is met. As a result of the IRMP it was agreed not to proceed with the flexible fleet review and it would remain with the fire appliance single type design.

Also, as part of the IRMP it was also agreed to remove the ARP from Eastbourne and replace it with a dedicated aerial appliance to mirror the same build as the new aerial appliance for Hastings.

The worldwide supply chain disruption and associated inflation continues to impact significantly on the delivery of the Fleet & Equipment Strategy. This is requiring different choices to be made to mitigate the impact of price increases where possible and increases in scheme budgets where it is not e.g. heavy appliance chassis have increased on average by c 9%. We are also experiencing significant increases in delivery times leading to further slippage on the Capital Programme (9-12 months for light fleet and up to 18 months for heavy fleet). To mitigate this, we have employed a vehicle build officer to manage these processes ensuring there is adequate capacity to deliver the capital programme.

The Authority has taken on a number of national resilience assets and receives a New Burdens grant for their maintenance. Future requirements for these assets which reached end of life in 2022/23 is being reviewed nationally by the NFCC and the Home Office. Once the outcome of the review is known and the Government confirms funding for new assets a review of local need for any assets where replacement is not funded by Government will be carried out.

Most equipment replacement is funded through our revenue budget; however, schemes can be considered for capital funding where they meet certain criteria. A business case to SLT will be prepared to detail the new policy for capitalising equipment, the pros and cons of adopting this policy and the net financial impact on both capital and revenue budgets (increase in the cost of borrowing, savings on the revenue budget etc.). A scheme for replacement of our existing Breathing Apparatus and ancillary equipment is included to the value of £1m over 2025/26 and 2026/27. This is being managed as a joint project through the 4F group (East & West Sussex, Surrey and Kent FRS (Fire and Rescue Service)).

Detailed strategies for Estates, and Fleet and Equipment are available as separate documents.

Funding

The Capital Strategy is funded from a number of sources which are described below. In order to ensure the Strategy is sustainable and affordable we aim to maximise external funding, where it is available, so as to reduce the pressure on our own resources. This is becoming increasingly important in the light both of pressures on our revenue budget and the ending of general capital grant from central government.

- Capital Grant

General capital grant allocations from central government for fire authorities ended in 2014/15 and grant funding thereafter is on a wholly bid-for basis. The Authority has not submitted any bids for the duration of this Strategy. However, an existing allocation of £1.5m from the Fire Transformation Grant (ITF Project) will be applied to the Engineering Workshop project. The Authority has been successful in a bid for CIL grant funding from Lewes District Council to cover 50% of the cost of Design Guide works at Barcombe and Seaford Fire Stations.

- Partner Contributions

The Authority continues to explore the potential for collaborative working with other public sector partners, particularly other emergency services. This includes capital projects, and where the Authority is lead body for a scheme this may lead to partners making contributions towards the capital costs.

- Capital Receipts

Receipts from the disposal of existing capital assets may only be used to fund expenditure on new capital assets.

Historic capital receipts from the sale of service houses and 20 Upperton Road have been used to fund the Capital Strategy. With no further property assets identified as surplus, capital receipts are likely to be small amounts for the sale of appliances. It is the Authority's current policy to use capital receipts to fund the capital programme before using the Capital Programme Reserve (which is a revenue reserve).

- Revenue Contributions

The Authority can make revenue contributions to the cost of its capital expenditure either direct from its revenue budget or from reserves earmarked for capital schemes. As of 31 March 2024, it is estimated that there will be a balance of £0.765m in the Capital Programme Reserve (CPR). The Authority takes the opportunity to set aside additional funding from its revenue budget to help fund the costs of the Capital Programme when it can, in the absence of Government grant. An additional contribution is planned of £1.5m 2024/25 onwards, increasing over the life of the MTFP to £3.0m.

- **Community Infrastructure Levy (CIL)**

The Service has been successful in its bid for Community Infrastructure Levy (CIL) funding from Lewes District Council. £289,000 has been awarded which will part fund the planned enhancements at Barcombe and Seaford Fire Stations, reducing the need for future borrowing.

- **Prudential Borrowing**

The Authority can use prudential borrowing to fund capital expenditure spreading the cost over the life of the asset. Overall, our total borrowing must be sustainable and affordable. Borrowing commits the Authority to a long term cost which has implications for our revenue budget. Broadly speaking, every £1m of additional borrowing would add £85,000,000 - £95,000 of financing costs to the Authority's revenue budget. As capital related reserves are spent down to fund the Capital Strategy, the Authority will need to recommence borrowing to fund capital investment. The borrowing needed to finance the Capital Asset Strategy over the next five years is £14.424m and this has been fed into the MTFP and our future borrowing costs.

MEDIUM TERM CAPITAL STRATEGY 2023/24 to 2027/28 – SCHEMES

Capital Programme Expenditure 2023-24 to 2028-29	Total Budget	Total Previous Years	Estimated Spend 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Remaining Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property									
Shared Investment Schemes									
Roedean Betterment	25		25						-
Bohemia Road Betterment	95		60	35					35
Fort Road - Engineering Workshop	2,836	23	188	2,625					2,625
External Funding - ITF Grants	(1,500)			(1,500)					(1,500)
Preston Circus	4,946	392	1,673	2,881					2,881
Total Shared Investment Schemes	6,402	415	1,946	4,041	-	-	-	-	4,041
Strategic Schemes									
- Replacement Fuel Tanks	492	450	42						-
- Partner contribution	(292)	(292)							-
- Replacement fuel tanks net cost	200	158	42	-	-	-			-
Design Guide	355	355							-
Hove	634	539	9	86					86
Roedean	503	53	2	448					448
Eastbourne	633	97		536					536
Bohemia Road	605	46	212	347					347
Security	386	95	140	151					151
Sustainability	221	22	10	189					189
MPTH	399	399							-
Eastbourne MPTH	260	26	44	60		130			190
Training Centre MPTH	308	34	16		50	208			258
Hove MPTH	278	24	40	50		164			214
Bohemia Road MPTH	258	26	43	50		139			189
Live Fire Training	4,000	49	34	160	2,750	1,007			3,917
Total Strategic Schemes	9,040	1,923	592	2,077	2,800	1,648	-	-	6,525
General Schemes	1,182	832		350					350
Phase 1 General Costs	30	30							-
Seaford CIL	296	3		7		86	200		293
Seaford CIL partner Contribution	(133)						(133)		(133)
Barcombe CIL	392	4	1		100	287			387
Barcombe CIL Partner Contribution	(156)					(156)			(156)
The Ridge	408						20	388	408
Hailsham	184	19					18	147	165
Rye	64	12	25	13				14	27
Battle	57	1						56	56
Heathfield	19	9	10						-
Uckfield	108	8						100	100
Lewes	576	6		80		190	300		570
Maresfield	30			30					30
Seaford HVP Alterations	94	94							-
Total General Schemes	3,151	1,018	36	480	100	407	405	705	2,097
Bay Doors, Floors, IT	1,505	7	96	181	808	205	208		1,402
Training Towers	279	1				278			278
Total Property	20,377	3,364	2,670	6,779	3,708	2,538	613	705	14,343
Vehicle Cameras	136		136						-
Grant Funds	(136)		(136)						-
Breathing Apparatus	1,000				500	500			1,000
Breathing Apparatus Washing Machines	85			85					85
Aerials	1,857	908	949						-
Aerial Rescue Pump	22	22							-
Fire Appliances	10,031	4,158	554	904	887	932	1,122	1,474	5,319
Ancillary Vehicles	2,821	774	474	685	811		77		1,573
Cars	2,550	861	35			339	644	671	1,654
Vans	2,182	1,018		496		183	206	279	1,164
Equipment	35		35						-
Employee Cost Allocation	39		39						-
Total Fleet and Equipment	16,228	7,741	2,086	2,170	2,198	1,954	2,049	2,424	10,795
JFC Vision Replacement	1,000					500	500		1,000
ITG Flexi Cloud	2,500				1,250	1,250			2,500
Total Expenditure	40,105	11,105	4,756	8,949	7,156	6,242	3,162	3,129	28,638

MEDIUM TERM CAPITAL STRATEGY 2024/25 to 2028/29 – FUNDING

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
JFC				500	500		1,000
ITG			1,250	1,250			2,500
Fleet and Equipment	2,086	2,170	2,198	1,954	2,049	2,424	10,795
Estates	2,670	6,779	3,708	2,538	613	705	14,343
Original Capital Programme	4,756	8,949	7,156	6,242	3,162	3,129	28,638
Funded by:							
Capital Receipts Reserve	626	-	-	-	-	-	-
Capital Programme Reserve	4,130	2,265	2,000	2,500	3,000	3,000	12,765
Business Rates Pool Reserve				1,200			1,200
New Borrowing / Need to Borrow		6,684	5,156	2,542	162	129	14,673
Updated Capital Programme	4,756	8,949	7,156	6,242	3,162	3,129	28,638

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts Reserve						
Opening Balance	520	0	0	0	0	0
Transfers In	106	0	0	0	0	0
Transfers Out	(626)	0	0	0	0	0
Closing Balance	0	0	0	0	0	0

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Programme Reserve						
Opening Balance	3,895	765	-	-	-	
Transfers In	1,000	1,500	2,000	2,500	3,000	3,000
Transfers Out	(4,130)	(2,265)	(2,000)	(2,500)	(3,000)	(3,000)
Closing Balance	765	0	0	0	0	0

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000
Business Rates Pool*						
Opening Balance	1,093	1,520	1,420	1,320	20	20
Transfers In	427	0	0	0	0	0
Transfers Out	0	(100)	(100)	(1,300)	0	0
Closing Balance	1,520	1,420	1,320	20	20	20

*Transfers out of £100k 2024/25, 2025/26 and 2026/27 are not to fund capital expenditure