

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

MEETING: 19th JANUARY 2015

SUBJECT: CAPITAL PROGRAMME 2014/2015 - THIRD REVIEW

JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER

1. INTRODUCTION

- 1.1 The original Capital Programme for 2014/2015 was approved at the Authority meeting on 17th February 2014.
- 1.2 The purpose of this report is to review the current year's Programme and reflect further changes to those that were presented to the Authority as a consequence of the Second Capital Programme Review on 17th November 2014.

2. CAPITAL PROGRAMME 2014/2015 - THIRD REVIEW

- 2.1 The position for 2014/2015 is set out at Appendix A, and is summarised below:

		Second Review	Third Review
	Original Estimate	Revised Estimate (Nov)	Revised Estimate (Jan)
	£	£	£
Expenditure	- Continuing Projects 2013/2014	4,479,061	5,087,506
	- Projects Commencing 2014/2015	83,000	593,000
	- Vehicle Replacement Programme	990,000	211,000
		5,552,061	6,803,444
Resources	- Fire Capital Grant	772,704	1,502,360
	- Day Crew Capital Grant	524,000	947,595
	- Earmarked Reserves	3,076,000	3,803,362
	- RCCO	0	10,000
	- Revenue Budget c/fwd <i>Vehicle Replacement Programme:</i>	189,357	300,127
	- North Tyneside Reward Grant	29,000	29,000
	- Option Appraisal	961,000	211,000
	5,552,061	6,803,444	5,891,506

- 2.2 The Capital Programme is showing a net reduction of £911,938 from £6,803,444 to £5,891,506.
- 2.3 Regular monitoring of the Capital Programme continues to take place and at the Third Review stage the following issues are brought to Members' attention for information:

ICT

- 2.4 An order has been placed for the Fireground Radios but there are two accessories that will be delayed in to 2015/2016. More detail is currently being sought from manufacturers to establish an estimated delivery date and the value of the delayed items.
- 2.5 The HR Software project has had to be rescheduled due to reprioritisation of work in response to IRMP actions. It is likely that there will be some slippage in to 2015/2016, but at this stage the amount is not known.
- 2.6 The Capital Programme will be reviewed and amended accordingly for both projects as more detail becomes available.

Estates (-£882,938)

- 2.7 Contracts have now been awarded for the two new developments at Marley Park and Rainton Bridge. The tender processes were delayed due to the nature of the contracts and the requirement of follow up tenders. Spending profiles have been revised and there will be £655,343 slippage on Marley Park Community Fire Station and £227,595 slippage on Rainton Bridge Fire Station in 2014/2015. The Capital Programme has been amended accordingly.

Carbon Management Plan (CMP)

- 2.8 The boiler replacement project is now complete and has reported an underspend of £54,221. The Asset Management Group has proposed that this be transferred to fund environmental elements necessary at the new Station at Marley Park.

3. VEHICLE REPLACEMENT PROGRAMME (-£29,000)

- 3.1 The vehicle replacement programme has been decreased by £29,000 from £240,000 to £211,000 in respect of the resilience vehicle funded by the North Tyneside Reward Grant. This will not be delivered before the end of the financial year so the grant will be carried forward in to 2015/2016.

4. PRUDENTIAL INDICATORS

4.1 The Prudential Indicators for the financial year 2014/2015 were approved by the Authority on 17th February 2014. These indicators are regularly reviewed to ensure that:

- the Authority remains within its Authorised Limit for External Debt and any warning signals are highlighted where there is a danger that capital investment plans are not affordable, prudent, and sustainable;
- treasury management decisions are taken in accordance with professional good practice;
- the capital expenditure control framework operated locally is consistent with, and supportive of, local strategic planning, local asset management planning, and proper option appraisal.

4.2 Internal monitoring procedures have been established to track performance against the various prudential indicators agreed by the Authority. These are managed on a day to day basis by the Finance Officer. At this stage the Authority is operating within its Authorised Borrowing Limit, which is a statutory limit determined under Section 3 (1) of the Local Government Act 2003. There are no areas for concern or any issues which require any review of the indicators as originally approved.

5 RECOMMENDATION

5.1 Members are requested to approve the revised Capital Programme for 2014/2015 as set out at Appendix A.

