

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

MEETING: 16th NOVEMBER 2015

Item 6

SUBJECT: CAPITAL PROGRAMME 2015/2016 - SECOND REVIEW

JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER

1. INTRODUCTION

- 1.1 The original Capital Programme for 2015/2016 was approved at the Authority on 16th February 2015.
- 1.2 The purpose of this report is to review the current year's Programme and reflect any further changes necessary to those that were presented to the Authority as a consequence of the First Capital Programme Review on 8th June 2015.

2. CAPITAL PROGRAMME 2015/2016 - SECOND REVIEW

- 2.1 The position for 2015/2016 is set out at Appendix A, and is summarised below:

		First Review	Second Review
		Revised Estimate	Revised Estimate
		£	£
Expenditure	- Continuing Projects 2014/2015	4,683,707	4,598,707
	- Projects Commencing 2015/2016	1,923,300	2,075,300
	- Vehicle Replacement Programme	1,033,000	930,632
		7,640,007	7,604,639
Resources	- Fire Capital Grant	3,108,867	3,175,867
	- Day Crew Capital Grant	326,829	326,829
	- Transformation Grant	846,800	846,800
	- Development Reserve	1,951,997	1,951,997
	- Carbon Management Plan Reserve	132,636	132,636
	- Revenue Budget C/fwd	239,878	239,878
	- Options Appraisal	1,033,000	930,632
	7,640,007	7,604,639	

- 2.2 The Capital Programme is showing a reduction in total of £35,368, from £7,640,007 at the First Review stage, to £7,604,639 which is now the current level of the Programme.

- 2.3 Regular monitoring of the Capital Programme continues to take place and at the Second Review stage the following issues are brought to Members' attention for information:

Carbon Management Plan

- 2.4 At the end of 2014/2015, £52,636 slippage on the LED Lighting Project was carried forward to complete the project in 2015/2016. The project has now been completed and a saving of approximately £45,000 has been achieved. The Environmental Steering Group has made a recommendation that the resources saved could be used to finance a new Solar PV Panels Project.
- 2.5 Slippage of £80,000 was carried forward from 2014/2015 to purchase fuel efficient vehicles. Requirements have been reassessed with the result that £40,000 of this sum can be allocated to a new project to purchase vehicle charging points required for the new vehicles acquired.
- 2.6 The two additional projects have been added to the Capital Programme. The funding will also be transferred so that the overall balance of the Programme is resource neutral.

Cold Cutting Extinguishing System (+£67,000)

- 2.7 Implementation of IRMP actions has changed the requirements of the Cold Cutting Extinguishing System project. This is estimated to cost an additional £67,000 and can be met from existing Fire Capital Grant funding. The Capital Programme has been amended accordingly.

3. VEHICLE REPLACEMENT PROGRAMME (-£102,368)

- 3.1 The vehicle replacement programme has been reduced by £102,368 from £1,033,000 to £930,632 due to the following reasons:
- Since the Programme was set a further review of the fleet requirements has been carried out. This has resulted in a reduction of £83,000 to the Programme;
 - A saving of £19,368 has been made on the purchases of the cars and vans in the revised Programme.
- 3.2 It is expected that there will also be a saving on the purchase of the Aerial Ladder Platform largely due to favourable exchange rates. The Programme has not been adjusted at this stage until the exact savings are known, but the position is expected to be updated at the third review in February 2016.

3.3 Also, due to the lengthy purchase lead in time, it is already known that some parts of the Ariel Ladder Platform will not be delivered before the end of this financial year so some of the remaining balance will need to be slipped to complete the purchase in 2016/2017. More detail will be available at third review.

4. PRUDENTIAL INDICATORS

4.1 The Prudential Indicators for the financial year 2015/2016 were approved by the Authority on 16th February 2015. 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. A full review of the indicators will be reported at the Capital Programme Third Review.

5. RECOMMENDATION

5.1 Members are requested to note the reported variations since the First Review and approve the revised Capital Programme for 2015/2016, as set out at Appendix A.

