

CAPITAL PROGRAMME 2009/2010 - THIRD REVIEW**JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER****1. INTRODUCTION**

- 1.1 The original Capital Programme for 2009/2010 was approved at the Authority meeting on 23rd February 2009.
- 1.2 The purpose of this report is to review the current year's Capital Programme and reflect changes from that presented to the Authority as a consequence of the Second Capital Programme Review, on 23rd November 2009.

2. CAPITAL PROGRAMME REVIEW 2009/2010

- 2.1 The position for 2009/2010 is set out at Appendix A, and summarised below:

	Revised Estimate (November) £	Revised Estimate (January) £
Expenditure - Continuing Projects 2008/2009	1,651,515	1,651,515
- Projects Commencing 2009/2010	1,058,200	1,058,200
	2,709,715	2,709,715
Resources - Contribution from Revenue	2,509,952	2,509,952
- Fire Capital Grant	199,763	199,763
	2,709,715	2,709,715

- 2.2 Regular monitoring of the Capital Programme continues to take place, and whilst no additional variations are being reported at the Third Review stage, the following issues are brought to Members' attention:

Estates – Other Schemes (less than £100,000)

Buildings Management System (BMS) Energy Programme

- 2.3 Difficulties have been experienced in the delivery of the final phase of the installation of the programme, which relates to the Authority's PFI buildings. These buildings are already covered by a partial BMS system and specialist consultants had to be engaged to resolve compatibility issues. As a consequence, tenders were not awarded within the normal timescales. Whilst

delays have been encountered, officers remain hopeful that there will be no slippage at the year-end.

Fire Ground Radios

- 2.4 The procurement of breathing apparatus communications (BA Com's) equipment and repeater units, which will improve the signal strength of the radios, has been delayed due to compatibility issues between the new personal radios and the BA Com's equipment. There are ongoing negotiations between the suppliers of the radios and the BA Com's equipment to ensure that compatibility is achieved and the Authority is awaiting the results of these negotiations.
- 2.5 Whilst it is expected that the scheme will be complete within this financial year there is a potential for slippage.

Operational Equipment

- 2.6 Until the issue highlighted at paragraph 2.4, above, is resolved, the Authority is not prepared to specify a delivery date for the equipment required to undertake breathing apparatus telemetry training and familiarisation, which will further support the use of the breathing apparatus provision within the service. Consequently, there is the potential for slippage within this scheme.

Vehicle Replacement Programme

- 2.7 The Authority has delayed progressing the procurement of two Operational Support Units and a Special Rescue Tender due to the fact that a Firebuy framework agreement covering these types of vehicle is being developed and it is expected that there will be benefits to be gained by using the framework agreement rather than undertaking an independent procurement exercise. The framework comes into force in April 2010 which means that delivery of these three items will slip into 2010/2011.

Capital Programme 2009/2010

- 2.8 The variations detailed at paragraph 2.7 have been reflected in the revised Capital Programme for 2009/2010, as well as the ongoing impact in the 2010/2011 and 2011/2012 Programmes, at Appendix A.

3 PRUDENTIAL INDICATORS

3.1 The Prudential Indicators for the financial year 2009/2010 were approved by the Authority on 23rd February 2009. 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.

3.2 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 to Authority along with proposed indicators for 2010/2011 at the February meeting.

4 RECOMMENDATIONS

4.1 Members are requested to approve the revised Capital Programme for 2009/2010 as set out at Appendix A.

