

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No: 9

MEETING: 21st NOVEMBER 2011

SUBJECT: CAPITAL PROGRAMME 2011/2012 - SECOND REVIEW

JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER

1. INTRODUCTION

- 1.1 The original Capital Programme for 2011/2012 was approved at the Authority meeting on 28th February 2011.
- 1.2 The purpose of this report is to review the current year's Programme and reflect changes from that presented to the Authority as a consequence of the First Capital Programme Review, on 13th June 2011.

2. CAPITAL PROGRAMME 2011/2012 - SECOND REVIEW

- 2.1 The position for 2011/2012 is set out at Appendix A, and summarised below:

	Original Estimate	Revised Estimate (June)	Revised Estimate (Nov)
	£	£	£
Expenditure - Continuing Projects 2010/2011	357,285	723,519	748,329
- Projects Commencing 2011/2012	852,182	884,501	933,101
	1,209,467	1,608,020	1,681,430
Resources - Contribution from Revenue	974,985	1,373,538	1,389,096
- Fire Capital Grant	200,000	200,000	200,000
- Diversity and Equality Grant	34,482	34,482	34,482
- Sainsbury's Grant	0	0	12,500
- REIEP Grant	0	0	18,670
- Legacy Funding – rcvd 2010/2011	0	0	26,682
	1,209,467	1,608,020	1,681,430
Vehicle Replacement Programme (subject to an options appraisal to determine how these will be financed)	2,161,500	2,527,000	2,527,000
	3,370,967	4,135,020	4,208,430

- 2.2 The Capital Programme has been increased by £73,410 from the first capital review which totalled £4,135,020 to £4,208,430, and is to be fully funded from additional grant funding.

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

Estates

- 2.4 It is projected that there will be a £55,000 underspend on the refurbishment of the non-PFI fire stations. The Service is currently evaluating a number of other priorities to use this surplus.

ICT

- 2.5 It is likely that, due to a delay in the availability of the most suitable type of product, the replacement of some of the Fireground Radio equipment may be delayed into 2012/2013. The Capital Programme will be reviewed and amended accordingly as more detail becomes available.

Vehicle Replacement Programme

- 2.6 The Vehicle Replacement Programme is currently under review and the level of investment in new vehicles in 2011/2012 has not yet been confirmed.

3 PRUDENTIAL INDICATORS

- 3.1 The Prudential Indicators for the financial year 2011/2012 were approved by the Authority on 28th February 2011. 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 at the Capital Programme Third Review, or earlier if necessary.

4 RECOMMENDATIONS

- 4.1 Members are requested to approve the revised Capital Programme for 2011/2012 as set out at Appendix A.