

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No 7

MEETING: 17th NOVEMBER 2014

SUBJECT: CAPITAL PROGRAMME 2014/2015 - SECOND 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 the further changes to those that were presented to the Authority as a consequence of the First Capital Programme Review on 23rd June 2014.

2. CAPITAL PROGRAMME 2014/2015 - SECOND REVIEW

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

		First Review	Second Review
	Original Estimate	Revised Estimate (June)	Revised Estimate (Nov)
	£	£	£
Expenditure	- Continuing Projects 2013/2014	4,479,061	5,970,444
	- Projects Commencing 2014/2015	83,000	593,000
	- Vehicle Replacement Programme	990,000	240,000
		5,552,061	7,189,284
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	7,189,284	6,803,444

- 2.2 The Capital Programme is showing a reduction of £385,840 from £7,189,284 to £6,803,444 in total.
- 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:

Estates (-£145,840)

- 2.4 The refurbishment at West Denton has been postponed pending the outcome of a review of the Estate and its assets. £145,840 is expected to slip in to 2015/2016 until a decision has been made on the best course of action for the vacated building. The Capital Programme has been amended accordingly.

Additional Projects (+£510,000)

- 2.5 As part of the IRMP Response Review, the Authority will purchase five Targetted Response Vehicles. This is estimated to cost £500,000 and includes the purchase, modification and fitting of pumping and other equipment to all the vehicles. This will be funded from Fire Capital Grant.
- 2.6 To support response to operational incidents, the Authority will purchase and fit blue lights and audible warning to Station Manager cars. This is estimated to cost £10,000 and will be funded from the Operations and Resilience revenue budget.
- 2.7 It is anticipated that by the third review, a number of further items will be added to the capital programme linked to the implementation of the Response Review, under the heading of new firefighting technologies.

3. VEHICLE REPLACEMENT PROGRAMME

Aerial Ladder Platform (-£750,000)

- 3.1 The Vehicle Replacement Programme has been reduced by £750,000 from £990,000 to £240,000 to recognise that the replacement Aerial Ladder Platform (ALP) will now form part of the 2015/2016 programme instead. The replacement was delayed pending the outcome of the IRMP Response Review which concluded that the ALP was still required but, due to lead in time for this type of vehicle, this could not be delivered until 2015/2016. The Programme has been adjusted accordingly.

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. A full review of the indicators will be reported at the Capital Programme Third Review.

5 RECOMMENDATION

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

