

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No:

MEETING: 19<sup>TH</sup> JANUARY 2009**CAPITAL PROGRAMME 2008/2009 - THIRD REVIEW****JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER****1. INTRODUCTION**

- 1.1 The original Capital Programme for 2008/2009 was approved at the Authority meeting on 25th February 2008.
- 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 3<sup>rd</sup> November 2008.

**2. CAPITAL PROGRAMME REVIEW 2008/2009**

- 2.1 The position for 2008/2009 is set out at Appendix A, and summarised below:

	<b>Revised Estimate (November)</b> £	<b>Revised Estimate (January)</b> £
Expenditure - Continuing Projects 2007/2008	1,365,728	1,166,262
- Projects Commencing 2008/2009	1,012,258	868,405
	<b>2,377,986</b>	<b>2,034,667</b>
Resources - SCE (R)	0	0
- Contribution from Revenue	2,377,986	2,015,847
- LAA Pump Priming Grant	0	18,820
	<b>2,377,986</b>	<b>2,034,667</b>

- 2.2 Regular monitoring of the Capital Programme continues to take place, and a number of variations are noted at paragraphs 2.3 to 2.7 which result in a net reduction of £343,319 to the 2008/2009 Capital Programme.

**BTC Repairs to Fire Ground and Offices**

- 2.3 Slippage of £93,000 has arisen due to procurement delays of up to four months for specialist heat resistant tiles which are required to fit out the training facilities at the BTC. The tiles are expected to be delivered at the beginning of the 2009/2010 financial year.

**SafetyWorks!**

- 2.4 As previously reported, an industrial unit on the Bentall Business Park in Washington was identified as a suitable site for the development and provision of an enhanced community safety facility over the short to medium term. Budget provision of £160,000 was built into the Capital Programme to fund the upgrade.
- 2.5 Following a review of the business case, however, and in light of the tightening economic position, a separate report is included elsewhere on this agenda requesting Members to defer the relocation of SafetyWorks! at this time. Subject to approval of this separate proposal and a review of the precise upgrading requirements of the current facility, it is proposed to use the existing budget provision to upgrade the current SafetyWorks! facility, and the funding of £160,000 has been slipped into 2009/2010 to reflect the timescales involved.

**Estates - Other Schemes (less than £100,000)**

- 2.6 The expenditure, and funding in relation to a number of schemes, totalling £135,592, will slip into 2009/2010 as highlighted below:
- Buildings Management System Energy Programme – following a review of energy usage in each of the non PFI stations, Phases 3 and 4 of the scheme have now been merged to take advantage of the benefits of using one tender process;
  - Improvements to PFI Firehouses – the original scheme provides for improvements to six Firehouses and the Chief Fire Officer has decided to complete one Firehouse before the commencement of the remaining five, to enable Station Managers to carry out a period of training and evaluation in order to review the completed Firehouse and make any adjustments as necessary. Due to this delay, the PFI contractor, Jarvis, will not be able to complete three of the five remaining firehouses until May 2010;
  - West Denton, Improvements to Changing Facilities – the business case for this scheme has been subject to review and accordingly, site surveys did not commence until December, which will result in the scheme only progressing to the Building Control and Planning permission stage in 2008/2009. As a result, the majority of scheme costs will slip into 2009/2010;
  - Community Safety Prevention and Education (CSPE) North Tyneside Accommodation – the required tender process will delay the overall procurement process, resulting in slippage into 2009/2010;
  - Entrance Porch at Occupational Health Unit – a purpose built unit is required due to the required high-specification of the porch. This must be specially designed which has resulted in a delay in completion into 2009/2010.

### **Vehicle Replacement Programme**

- 2.7 The Authority has been successful in attracting LAA Pump Priming grant from North Tyneside Council to assist in the delivery of the North Tyneside Fire Team Project which will assist in fulfilling the Government's expectations in the National Framework document in relation to anti social behaviour. £18,820 of this is to be used to finance the purchase of a minibus which is included in the Capital Programme for 2008/2009.

### **2009/2010 Capital Programme**

- 2.8 The variations detailed at paragraphs 2.3 to 2.7 have been reflected in the revised Capital Programme for 2008/2009, as well as the ongoing impact in 2009/2010 and 2010/2011, at Appendix A.

## **3 PRUDENTIAL INDICATORS**

- 3.1 The Prudential Indicators for the financial year 2008/2009 were approved by the Authority on 25th February 2008. 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 2009/2010 at the February meeting.

#### **4 RECOMMENDATIONS**

- 4.1 Members are requested to approve the revised Capital Programme for 2008/2009 as set out at Appendix A.

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**CAPITAL PROGRAMME 2008/2009 TO 2010/2011**

## SUMMARY

Project Description	Gross Cost  £	Expenditure to 31.3.08  £	Estimated Payments		
			2008/09 £	2009/10 £	2010/11 £
<b>FIRE SERVICE</b>					
Continuing Projects	2,826,431	940,843	1,166,262	719,326	0
Projects Commencing 2008/2009 and Future Years	3,668,865	0	868,405	1,400,460	1,400,000
	6,495,296	940,843	2,034,667	2,119,786	1,400,000
<b>EMERGENCY PLANNING</b>	0	0	0	0	0
	6,495,296	940,843	2,034,667	2,119,786	1,400,000
<b>VEHICLE REPLACEMENT PROGRAMME</b>					
Fire Services-Vehicles	5,986,186	0	621,186	2,922,000	2,443,000
<b>TOTAL CAPITAL EXPENDITURE</b>	12,481,482	940,843	2,655,853	5,041,786	3,843,000

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**CAPITAL PROGRAMME 2008/2009 TO 2010/2011**

Project Description	Gross Cost £	Expenditure to 31.3.08 £	Estimated Payments		
			2008/09 £	2009/10 £	2010/11 £
<b>Continuing Projects</b>					
<b>IT Equipment</b>					
IT Equipment	333,798	219,329	114,469	0	0
<b>Operational Equipment</b>					
Fireground Radios	180,000	0	160,000	20,000	0
Operational Equipment 07/08	301,664	160,839	140,825	0	0
Other schemes (less than £100,000)	22,600	0	22,600	0	0
<b>Estates</b>					
Safety Works	389,306	229,306	0	160,000	0
Station Refurbishment Programme (Birtley, Gosforth, Fulwell, South Division HQ and North Division HQ)	434,325	286,441	126,168	21,716	0
BTC - Security Improvements and Incident Management Training Facilities	885,933	8,846	390,609	486,478	0
Other schemes (less than £100,000)	278,805	36,082	211,591	31,132	0
	<b>2,826,431</b>	<b>940,843</b>	<b>1,166,262</b>	<b>719,326</b>	<b>0</b>
<b>Projects Commencing 2008/2009 and Future Years</b>					
<b>IT Equipment</b>					
IT Equipment	1,030,000	0	330,000	350,000	350,000
<b>Operational Equipment</b>					
Operational Equipment	675,700	0	277,700	318,000	80,000
<b>Estates</b>					
Works arising from Stock Condition Survey	300,000	0	0	150,000	150,000
Birtley - Refurbishment of Station Facilities	135,000	0	0	135,000	0
BTC - Repairs to Fire Ground and Offices	100,000	0	7,000	93,000	0
South Shields - General Refurbishments	130,000	0	0	130,000	0
West Denton - General refurbishment/decoration	300,000	0	0	0	300,000
Sunderland Central - Community Fire Safety Facilities	520,000	0	0	0	520,000
Other schemes (less than £100,000)	459,345	0	234,885	224,460	0
<b>Vehicles</b>					
Minibus (LAA Pump Priming)	18,820	0	18,820		0
	<b>3,668,865</b>	<b>0</b>	<b>868,405</b>	<b>1,400,460</b>	<b>1,400,000</b>
	<b>6,495,296</b>	<b>940,843</b>	<b>2,034,667</b>	<b>2,119,786</b>	<b>1,400,000</b>

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**  
**CAPITAL PROGRAMME 2008/2009 TO 2010/2011**

Project Description	Gross Cost £	Estimated Payments (to be leased)		
		2008/09 £	2009/10 £	2010/11 £
<b>VEHICLE REPLACEMENT PROGRAMME</b>				
<b>2008/2009 PROGRAMME</b>				
1 Outreach Vehicle (Community Safety)	108,186	108,186	0	0
1 High Reach Forklift (BTC)	60,000	60,000	0	0
1 Staff Car	15,000	15,000	0	0
2 van/car (small)	15,000	15,000	0	0
9 vans/cars (medium)	90,000	90,000	0	0
Minibus	25,000	25,000	0	0
3 Panel Vans (small)	54,000	54,000	0	0
4 Panel Vans (large)	88,000	88,000	0	0
3 Operational Support Units	450,000	0	450,000	0
3 Water Tenders	525,000	0	525,000	0
1 Staff Car	16,000	16,000	0	0
2 vans/cars (small)	15,000	15,000	0	0
5 vans/cars (large)	60,000	60,000	0	0
2 Minibuses	50,000	50,000	0	0
1 Panel Van (large) - specialist	25,000	25,000	0	0
<b>2009/2010 PROGRAMME</b>				
1 Aerial Ladder Platform	600,000	0	600,000	0
7 Water Tenders	1,225,000	0	1,225,000	0
8 vans/cars (small)	60,000	0	60,000	0
1 van/car (large)	12,000	0	12,000	0
1 Minibus	25,000	0	25,000	0
1 Panel Van (large/chiller)	25,000	0	25,000	0
<b>2010/2011 PROGRAMME</b>				
1 Staff Car	16,000	0	0	16,000
1 Minibus	25,000	0	0	25,000
1 Panel Van (small)	18,000	0	0	18,000
2 Panel Vans (large)	44,000	0	0	44,000
16 Vans/Cars (small)	120,000	0	0	120,000
10 Vans/Cars (large)	120,000	0	0	120,000
12 Water Tenders	2,100,000	0	0	2,100,000
	5,986,186	621,186	2,922,000	2,443,000