

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

MEETING: 14TH JUNE 2010

CAPITAL PROGRAMME OUTTURN 2009/2010 AND CAPITAL PROGRAMME FIRST REVIEW 2010/2011

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 present the provisional capital outturn for 2009/2010, highlighting the main variances from the 2009/2010 Capital Programme Third Review, and to review the current year's programme to reflect the actual outturn 2009/2010 position and other changes, since the original programme was approved.

2. OUTTURN 2009/2010

- 2.1 The provisional outturn position on expenditure and resources for 2009/2010 is summarised below:

	Third Review £	Outturn £
Expenditure - Continuing Projects 2008/2009	1,651,515	1,430,761
- Projects Commencing 2009/2010	1,058,200	3,257,572
	2,709,715	4,688,333
Resources - Contribution from Revenue	2,509,952	4,682,793
- Fire Capital Grant	199,763	0
- Contribution from RCC	0	5,540
	2,709,715	4,688,333

- 2.2 The Capital Programme outturn for 2009/2010 reflects increased spending of £1,978,618 from £2,709,715 (reported to Members in January 2010) to £4,688,333, which has arisen as a result of the following:
 - 2.2.1 Minor net overspends relating to a number of schemes completed during 2009/2010 amounting to £63,701.
 - 2.2.2 The addition to the programme of schemes costing £2,321,490 relating to the purchase of PCs and Software (£154,987), Operational Equipment (£20,500) and vehicles (£2,146,003 which included the purchase of 12 Fire Tenders)

during the year. With regard to the replacement vehicles, these were originally included within the Vehicle Replacement Programme, where assets have traditionally been financed through operating leases and the capital programme and revenue budget have been prepared on this basis. An option appraisal is undertaken whenever new vehicles are purchased and, in the case of these vehicles, it was identified that the best value option was to purchase outright. Funding was made available for this through an increased Revenue Contribution to Capital Outlay.

2.2.3 Net slippage from 2009/2010 to 2010/2011 of £406,573, as detailed below:

IT Equipment – £157,752

- Hardware (£57,376) – the Authority has been encouraged to utilise e-auction to procure IT hardware as there is the potential to provide better value and efficiency savings. As this did not take place until March the Authority was unable to evaluate the process or procure any hardware in 2009/2010 resulting in slipped expenditure.
- Carbon Footprint (£60,000) – difficulties have arisen in procuring Storage Area Network equipment to the Authority's requirements. In order to overcome this, a functional specification document has been created which will go out to tender. The additional work required to produce the specification has resulted in delays so the expenditure will now be incurred in 2010/2011.
- Smart Cards (£34,040) – delays have arisen in relation to the procurement process in order to agree the specification of the Smart Cards as compared to the tender documents.
- Other IT equipment (£6,336) - slippage has arisen on a number of other schemes.

Operational Equipment - £74,376

- Fireground Radios (£68,427) – as reported at third review there was potential for slippage due to problems in the procurement of breathing apparatus communications (BA Com's) and repeater units due to compatibility issues between the new personal radios and the BA Com's equipment. A number of other BA Com's models are currently being evaluated in order to find a suitable alternative which has resulted in slipped expenditure.
- Other Operational Equipment (£5,949) – slippage has arisen on a number of other schemes.

Estates - £174,445

- BTC Incident Training Area (£67,927) – delays were caused by the severe winter weather conditions, which has resulted in slipped expenditure
- BTC Repairs to Fireground and Offices (£80,916) – part of the planned works involved the installation of additional fire tiles to the training areas. After initial testing it was discovered that further tiles were required to be replaced than initially envisaged which has resulted in delays in the project but no additional costs are expected.
- Other (£25,602) – slippage has arisen on a number of other schemes.

2.3 All schemes that have slipped were being financed through a Revenue Contribution to Capital Outlay, and funding will be carried forward into 2010/2011 through the Budget Carry Forward Reserve to meet the costs as they arise.

3. CAPITAL PROGRAMME FIRST REVIEW - 2010/2011

3.1 The position for 2010/2011 is set out at Appendix A, and summarised below:

	Original Estimate (February) £	Revised Estimate (June) £
Expenditure - Continuing Projects 2009/2010 - Projects Commencing 2010/2011	393,850	800,423
	1,254,328	1,254,328
	1,648,178	2,054,751
Resources - Contribution from Revenue - Fire Capital Grant	1,448,178	1,854,751
	200,000	200,000
	1,648,178	2,054,751

Capital Programme

3.2 The Capital Programme has been increased by £406,573 from £1,648,178 (as approved by Members in February 2010) to £2,054,751. This reflects the impact of the slipped expenditure from 2009/2010, referred to at paragraph 2.2.3 above.

Vehicle Replacement Programme

3.3 Regular monitoring of the Capital Programme continues to take place, however, there are no further issues to bring to Members' attention at this stage.

4. PRUDENTIAL INDICATORS

4.1 The prudential indicators, set during the budget process, are currently being reviewed in the light of the provisional capital outturn. Any amendments to these indicators will be reported upon at the 2010/2011 Capital Programme Second Review.

5. RECOMMENDATIONS

- 5.1 Members are requested to approve the revised Capital Programme for 2010/2011 as set out at Appendix A in light of the provisional capital outturn 2009/2010.

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CAPITAL PROGRAMME 2010/2011 TO 2012/2013

SUMMARY

Project Description	Gross Cost £	Expenditure to 31.3.10 £	Estimated Payments		
			2010/11 £	2011/12 £	2012/13 £
FIRE SERVICE					
Continuing Projects	3,238,832	2,151,409	800,423	187,000	100,000
Projects Commencing 2010/2011 and Future Years	3,167,084	0	1,254,328	913,921	998,835
	6,405,916	2,151,409	2,054,751	1,100,921	1,098,835
EMERGENCY PLANNING	0	0	0	0	0
	6,405,916	2,151,409	2,054,751	1,100,921	1,098,835
VEHICLE REPLACEMENT PROGRAMME					
Fire Services-Vehicles	5,426,500	0	3,101,500	1,661,500	663,500
TOTAL CAPITAL EXPENDITURE	11,832,416	2,151,409	5,156,251	2,762,421	1,762,335

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Project Description	Gross Cost	Expenditure to 31.3.10	Estimated Payments		
			2010/11	2011/12	2012/13
	£	£	£	£	£
Continuing Projects					
IT Equipment	519,396	361,644	157,752	0	0
Operational Equipment					
Fireground Radios	180,000	111,573	68,427	0	0
Breathing Apparatus Equipment	598,000	422,051	175,949	0	0
Estates					
BTC - Security Improvements and Incident Management Training Facilities	973,904	905,977	67,927	0	0
BTC - Repairs to Fire Ground and Offices	235,550	154,634	80,916	0	0
Non PFI Sites BMS Energy Programme	232,132	116,948	115,184	0	0
Works arising from Stock Condition Survey	499,850	78,582	134,268	187,000	100,000
	3,238,832	2,151,409	800,423	187,000	100,000
Projects Commencing 2010/2011 and Future Years					
IT Equipment					
New and Replacement Hardware	555,000	0	265,000	140,000	150,000
Network & Comms Infrastructure Development	215,000	0	30,000	120,000	65,000
New Software & Supporting Systems	245,000	0	55,000	90,000	100,000
Operational Equipment					
Operational Equipment	254,600	0	93,000	80,500	81,100
Estates					
Non PFI Station Refurbishment	345,000	0	275,000	70,000	0
Storage Facilities at Gosforth for ALP	201,000	0	201,000	0	0
Appliance bay doors/lighting programme for all Stations	150,000	0	0	150,000	0
West Denton - General refurbishment/decoration	260,000	0	0	0	260,000
Other schemes (less than £100,000)	432,150	0	135,650	161,500	135,000
Carbon Management Plan	509,334	0	199,678	101,921	207,735
	3,167,084	0	1,254,328	913,921	998,835
	6,405,916	2,151,409	2,054,751	1,100,921	1,098,835

TYNE AND WEAR FIRE AND RESCUE AUTHORITY
CAPITAL PROGRAMME 2010/2011 TO 2012/2013

Project Description	Gross Cost £	Estimated Payments To be leased		
		2010/11 £	2011/12 £	2012/13 £
VEHICLE REPLACEMENT PROGRAMME				
SLIPPED FROM 2009/2010 PROGRAMME				
2 Operational Support Units	300,000	300,000		
1 Special Rescue Tender	200,000	200,000		
1 Aerial Ladder Platform	485,000	485,000		
4 Panel Vans (large)	88,000	88,000		
1 Water Rescue Vehicle	28,000	28,000		
1 Panel Van (large/chiller)	25,000	25,000		
Safetyworks! Minibus	35,000	35,000		
2010/2011 PROGRAMME				
1 Staff Car	17,500	17,500		
1 Minibus	22,000	22,000		
1 Panel Van (small)	20,000	20,000		
2 Panel Vans (large)	50,000	50,000		
16 Vans/Cars (small)	136,000	136,000		
10 Vans/Cars (large)	120,000	120,000		
9 Water Tenders	1,575,000	1,575,000		
2011/2012 PROGRAMME				
5 Water Tenders	875,000		875,000	
1 Aerial Ladder Platform	600,000		600,000	
1 Staff Car	17,500		17,500	
3 vans/cars (small)	25,500		25,500	
2 Vans/Cars (large)	24,000		24,000	
1 Van/Car (specialist)	12,500		12,500	
1 Minibus	22,000		22,000	
3 Panel Vans (small)	60,000		60,000	
1 Panel Van (large)	25,000		25,000	
2012/2013 PROGRAMME				
4 Water Tenders	525,000			525,000
1 vans/cars (small)	8,500			8,500
9 Vans/Cars (large)	108,000			108,000
1 Minibus	22,000			22,000
	5,426,500	3,101,500	1,661,500	663,500

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CAPITAL PROGRAMME 2009/2010 TO 2011/2012

SUMMARY

Project Description	Gross Cost £	Expenditure to 31.3.09 £	Estimated Payments	Actual Payments
			2009/10 £	2009/10 £
FIRE SERVICE				
Continuing Projects	3,236,328	1,805,567	1,651,515	1,430,761
Projects Commencing 2009/2010 and Future Years	936,082	0	1,058,200	936,082
TOTAL CAPITAL EXPENDITURE	4,172,410	1,805,567	2,709,715	2,366,843

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CAPITAL PROGRAMME 2009/2010 TO 2011/2012

Project Description	Gross Cost £	Expenditure to 31.3.09 £	Estimated Payments	Actual Payments
			2009/10 £	2009/10 £
Continuing Projects				
IT Equipment	637,660	566,664	108,432	70,996
Operational Equipment				
Fireground Radios	111,573	56,171	123,829	55,402
Other schemes (less than £100,000)	144,579	42,788	103,037	101,791
Estates				
Safetyworks	487,206	229,306	240,100	257,900
BTC - Security Improvements and Incident Management Training Facilities	905,978	394,789	579,358	511,189
Station Refurbishment Programme (Birtley, Gosforth, Fulwell, South Division HQ and North Division HQ)	425,354	425,354	0	0
BTC - Repairs to Fire Ground and Offices	154,634	7,908	227,642	146,726
Other schemes (less than £100,000)	369,344	82,587	269,117	286,757
	3,236,328	1,805,567	1,651,515	1,430,761
Projects Commencing 2009/2010 and Future Years				
IT Equipment				
IT Equipment	384,684	0	505,000	384,684
Operational Equipment				
Operational Equipment	462,817	0	443,200	462,817
Estates				
Works arising from Stock Condition Survey	78,582	0	100,000	78,582
Other schemes (less than £100,000)	9,999	0	10,000	9,999
	936,082	0	1,058,200	936,082
	4,172,410	1,805,567	2,709,715	2,366,843