

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

MEETING: 13TH JUNE 2011

CAPITAL PROGRAMME OUTTURN 2010/2011 AND CAPITAL PROGRAMME FIRST REVIEW 2011/2012

JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER

1. INTRODUCTION

- 1.1 The original Capital Programme for 2010/2011 was approved at the Authority meeting on 22nd February 2010.
- 1.2 The purpose of this report is to present the provisional capital outturn for 2010/2011, highlighting the main variances from the 2010/2011 Capital Programme Third Review, and to review the current year's programme to reflect the actual outturn 2010/2011 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 2010/2011 is summarised below:

	Third Review (January)	Outturn
	£	£
Expenditure - Continuing Projects 2009/2010	713,880	550,492
- Projects Commencing 2010/2011	1,236,231	951,373
	1,950,111	1,501,865
Vehicle Replacement Programme (purchased due to the best value option being the outcome of an option appraisal)	2,601,500	2,390,196
	4,551,611	3,892,061
Resources - Contribution from Revenue / Reserves	4,351,611	3,870,811
- Other Capital Grant	0	21,250
- Fire Capital Grant	200,000	0
	4,551,611	3,892,061

2.2 The Capital Programme outturn for 2010/2011 reflects a reduction in spending of £659,550 from £4,551,611 (reported to Members in January 2011) to £3,892,061, which has arisen as a result of the following:

2.2.1 Minor net overspends relating to a number of vehicles and schemes completed during 2010/2011 amounting to £46,000.

2.2.2 The addition to the programme of schemes costing £88,503 relating to the purchase of Printers and Software (£42,127) and Vehicles Radio Equipment (£46,376).

2.2.3 Net slippage from 2010/2011 to 2011/2012 of £794,053 as follows:

- £30,000 approved by Members in February 2011 after Third Review relating to Works arising from the Stock Condition Survey in relation to external security doors where payment is delayed until works are completed to a satisfactory standard.
- £365,500 reprofiling of the Vehicle Replacement Programme as replacement of the non Operational vehicle fleet has been delayed pending the outcome of a full review of requirements.
- £398,553 net slippage on Capital projects as detailed below:

IT Equipment – £165,900

- New and Replacement Hardware (£60,000) – procurement of the hardware for the next phase of the Miquet Asset Management System is dependant upon a successful pilot on a fire station. The timescale for this pilot has slipped due to the limited availability of resources to plan and undertake the pilot scheme. It is expected that the pilot will commence in the near future and will be evaluated later this year to allow procurement of the hardware towards the end of the financial year 2011/2012 if successful.
- Network and Communications Infrastructure Development (£30,000) – Data Bearer is currently on order following a full tender process.
- Software and Supporting Systems (£34,360) - HR/ MIS system development works are currently being scoped.
- Smart Cards (£34,040) - delivery of the Smart Cards has been delayed due to the manufacturer going out of business. The contractor has now identified another suitable manufacturer and the Authority is currently undertaking a trial of the cards which is expected to conclude by the end of May 2011. Following a successful trial, the cards will go into production and should be delivered in the second quarter of 2011/2012.
- Other IT equipment (£7,500) - slippage has arisen on a number of other minor schemes.

Operational Equipment - £100,746

- Fireground Radios (£68,427) – the equipment is still being evaluated by the Service Working Group and the procurement decision has not yet been agreed.
- Other Operational Equipment (£32,319) – slippage has arisen on a number of other schemes.

Estates - £131,907

- NEFRA Groundworks at Tynemouth (£48,500) – payment will be made when the final account for the replacement of Station 32 is agreed and settled with the PFI Contractor.
- Work arising from the Stock Condition Survey (£24,686) – contractor works for the replacement of external security doors (estate wide) programme was deemed unsatisfactory, therefore a further payment has been delayed until the works are completed to an acceptable standard.
- Carbon Management Plan (£39,375) - work on Carbon Management Plan projects have been delayed as a result of the recommendations of the external advisor relating to the Voltage Optimisation project. Alternative projects are now being planned & progressed following the decision not to carry out this particular project. The order for the Virtualisation project has been placed but the supplier was unable to deliver before the end of the financial year.
- Other (£19,346) – slippage has arisen on a number of other schemes.

2.3 The funding for all schemes that have slipped will be carried forward into 2011/2012 through the Budget Carry Forward Reserve to meet the costs as they arise.

3. CAPITAL PROGRAMME FIRST REVIEW - 2011/2012

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

	Original Estimate (February) £	Revised Estimate (June) £
Expenditure - Continuing Projects 2010/2011 - Projects Commencing 2011/2012	357,285	723,519
	852,182	884,501
	1,209,467	1,608,020
Resources - Contribution from Revenue - Fire Capital Grant - Diversity and Equality Grant	974,985	1,373,538
	200,000	200,000
	34,482	34,482
	1,209,467	1,608,020
Vehicle Replacement Programme (subject to an options appraisal to determine how these will be financed)	2,161,500	2,527,000
	3,370,967	4,135,020

Capital Programme

3.2 The Capital Programme has been increased by £764,053 from £3,370,967 (as approved by Members in February 2011) to £4,135,020.

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 2011/2012 Capital Programme Second Review.

5. RECOMMENDATIONS

- 5.1 Members are requested to approve the revised Capital Programme for 2011/2012 as set out at Appendix A in light of the provisional capital outturn 2010/2011.