

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY****MEETING: 15<sup>TH</sup> JUNE 2009****CAPITAL PROGRAMME OUTTURN 2008/2009 AND CAPITAL PROGRAMME  
FIRST REVIEW 2009/2010****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 present the provisional capital outturn for 2008/2009, highlighting the main variances from the 2008/2009 Capital Programme Third Review, and to review the current year's programme to reflect the actual outturn 2008/2009 position and other changes, since the original programme was approved.

**2. OUTTURN 2008/2009**

- 2.1 The provisional outturn position on expenditure and resources for 2008/2009 is summarised below:

	<b>Third Review £</b>	<b>Outturn £</b>
Expenditure - Continuing Projects 2007/2008	1,166,262	813,545
- Projects Commencing 2008/2009	868,405	1,052,374
	<b>2,034,667</b>	<b>1,865,919</b>
Resources - Contribution from Revenue	2,015,847	1,847,647
- LAA Pump Priming Grant	18,820	18,272
	<b>2,034,667</b>	<b>1,865,919</b>

- 2.2 The Capital Programme outturn for 2008/2009 reflects an underspend of £168,748 from £2,034,667 (reported to Members in January 2009) to £1,865,919, which has arisen as a result of the following:
- 2.2.1 Minor net underspends relating to a number of schemes completed during 2008/2009 amounting to £31,799.
- 2.2.2 The addition to the programme of schemes costing £382,680 relating to the purchase of PCs and Software (£33,930), Operational Equipment (£55,135) and vehicles (£293,615) 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 2008/2009 to 2009/2010 of £519,629, as detailed below:

#### IT Equipment – £108,432

- Incident Recording System (£47,500) – slippage has arisen due to supplier delays in delivering a workable software solution, and the need for the software to integrate with the Regional Control Centre's systems. This has now been rectified, and the expenditure will be incurred in 2009/2010;
- Smart Cards (£34,040) – smart cards are to be integrated by the Authority to enable them to be used for computer login and door entry access. Delays have arisen with the integration of this, resulting in a delayed roll-out and slipped expenditure;
- Firelink call-off items (£20,000) – delays in the national roll-out of the Firelink project have resulted in delays at a regional level also. Costs will not be applied to regions (and subsequently passed on to individual authorities) until each authority in the region has received all of its equipment, and this has resulted in slipped expenditure;
- Other IT equipment (£6,892) – slippage has arisen on a number of other schemes.

#### Operational Equipment - £231,866

- Fireground Radios (£103,829) – this relates to the balance of payments due in respect of the radios, which will be released when detailed calibration of the equipment to the most appropriate radio frequency for operations has been completed;
- Appliance CCTV (£67,620) – the fit out of CCTV has been delayed due to the installation of Phase B of the Firelink project (which itself was delayed at a national level). Whilst a number of appliances have been fitted out, the remainder of the fleet is awaiting to have the equipment installed;
- Other Operational Equipment (£60,417) – slippage has arisen on a number of other schemes.

#### Estates - £179,331

- CCTV Improvement (£85,000) – existing IT contractors were used for this scheme, however, contract negotiations took longer than originally anticipated;
- PFI land transfer costs (£36,000) – the demolition and remedial works are now complete, and an exchange of contracts in relation to the land exchange at Fossway is anticipated in the next month;
- Other (£58,331) – 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 2009/2010 through the Budget Carry Forward Reserve to meet the costs as they arise.

**3. CAPITAL PROGRAMME FIRST REVIEW - 2009/2010**

3.1 The position for 2009/2010 is set out at Appendix A, and summarised below:

	<b>Original Estimate (February) £</b>	<b>Revised Estimate (June) £</b>
Expenditure - Continuing Projects 2008/2009 - Projects Commencing 2009/2010	966,786	1,486,415
	1,143,200	1,143,200
	<b>2,109,986</b>	<b>2,629,615</b>
Resources - Contribution from Revenue - Fire Capital Grant	1,910,223	2,429,852
	199,763	199,763
	<b>2,109,986</b>	<b>2,629,615</b>

**Capital Programme**

3.2 The Capital Programme has been increased by £519,629 from £2,109,986 (as approved by Members in February 2009) to £2,629,615. This reflects the impact of the slipped expenditure from 2008/2009, referred to at paragraph 2.2.3 above.

**Vehicle Replacement Programme**

3.3 The Vehicle Replacement Programme for 2009/2010 provides for the replacement of three Operational Support Units at a cost of £450,000 in total. It is proposed, however, to purchase two Operational Support Units at a cost of £300,000 and a Special Rescue Tender at a cost of £200,000, an overall increase of £50,000. This proposal will provide the Authority with greater flexibility in its operational response capabilities by providing heavy lifting capacity through the provisions of a Hiab type crane on the Special Rescue Tender.

3.4 The tender process for the acquisition of the Aerial Ladder Platform, included in the Vehicle Replacement Programme at an estimated cost of £600,000, is complete at a cost of £485,000. It is proposed that the underspend on this purchase be used to offset the cost of the Special Rescue Tender, referred to at paragraph 3.3 above.

- 3.5 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 2009/2010 Capital Programme Second Review.

#### **5. RECOMMENDATIONS**

- 5.1 Members are requested to approve the revised Capital Programme for 2009/2010 as set out at Appendix A in light of the provisional capital outturn 2008/2009.

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**  
**CAPITAL PROGRAMME 2009/2010 TO 2011/2012**

## SUMMARY

Project Description	Gross Cost  £	Expenditure to 31.3.09  £	Estimated Payments		
			2009/10 £	2010/11 £	2011/12 £
<b>FIRE SERVICE</b>					
Continuing Projects	3,326,982	1,805,567	1,486,415	0	35,000
Projects Commencing 2009/2010 and Future Years	3,552,700	0	1,143,200	1,445,500	964,000
	<b>6,879,682</b>	<b>1,805,567</b>	<b>2,629,615</b>	<b>1,445,500</b>	<b>999,000</b>
<b>EMERGENCY PLANNING</b>	0	0	0	0	0
	<b>6,879,682</b>	<b>1,805,567</b>	<b>2,629,615</b>	<b>1,445,500</b>	<b>999,000</b>
<b>VEHICLE REPLACEMENT PROGRAMME</b>					
Fire Services-Vehicles	7,096,500	0	3,113,500	2,439,500	1,543,500
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>13,976,182</b>	<b>1,805,567</b>	<b>5,743,115</b>	<b>3,885,000</b>	<b>2,542,500</b>

# TYNE AND WEAR FIRE AND RESCUE AUTHORITY

## CAPITAL PROGRAMME 2009/2010 TO 2011/2012

Project Description	Gross Cost £	Expenditure to 31.3.09 £	Estimated Payments		
			2009/10 £	2010/11 £	2011/12 £
<b>Continuing Projects</b>					
<b>IT Equipment</b>	675,096	566,664	108,432	0	0
<b>Operational Equipment</b>					
Fireground Radios	180,000	56,171	123,829	0	0
Other schemes (less than £100,000)	170,825	42,788	128,037	0	0
<b>Estates</b>					
Safetyworks	389,306	229,306	160,000	0	0
BTC - Security Improvements and Incident Management Training Facilities	893,838	394,789	499,049	0	0
BTC - Repairs to Fire Ground and Offices	185,000	7,908	142,092	0	35,000
Other schemes (less than £100,000)	398,592	82,587	316,005	0	0
Station Refurbishment Programme (Birtley, Gosforth, Fulwell, South Division HQ and North Division HQ)	434,325	425,354	8,971	0	0
	<b>3,326,982</b>	<b>1,805,567</b>	<b>1,486,415</b>	<b>0</b>	<b>35,000</b>
<b>Projects Commencing 2009/2010 and Future Years</b>					
<b>IT Equipment</b>					
IT Equipment	1,250,000	0	550,000	350,000	350,000
<b>Operational Equipment</b>					
Operational Equipment	662,200	0	443,200	80,000	139,000
<b>Estates</b>					
Sunderland Central - Community Fire Safety Facilities	520,000	0	0	520,000	0
Appliance bay doors/lighting programme for all Stations	100,000	0	0	0	100,000
West Denton - General refurbishment/decoration	300,000	0	0	300,000	0
Works arising from Stock Condition Survey	300,000	0	100,000	150,000	50,000
Other schemes (less than £100,000)	420,500	0	50,000	45,500	325,000
	<b>3,552,700</b>	<b>0</b>	<b>1,143,200</b>	<b>1,445,500</b>	<b>964,000</b>
	<b>6,879,682</b>	<b>1,805,567</b>	<b>2,629,615</b>	<b>1,445,500</b>	<b>999,000</b>

# TYNE AND WEAR FIRE AND RESCUE AUTHORITY

## CAPITAL PROGRAMME 2009/2010 TO 2011/2012

Project Description	Gross Cost £	Estimated Payments To be leased		
		2009/10 £	2010/11 £	2011/12 £
<b>VEHICLE REPLACEMENT PROGRAMME</b>				
<b>SLIPPED FROM 2008/2009 PROGRAMME</b>				
2 Operational Support Units	300,000	300,000		
1 Special Rescue Tender	200,000	200,000		
3 Water Tenders	525,000	525,000		
1 Staff Car	16,000	16,000		
1 van/car small	7,500	7,500		
4 Panel Vans (large)	88,000	88,000		
2 Minibus	50,000	50,000		
<b>2009/2010 PROGRAMME</b>				
1 Aerial Ladder Platform	485,000	485,000		
7 Water Tenders	1,225,000	1,225,000		
8 vans/cars (small)	60,000	60,000		
2 Panel Vans (small)	36,000	36,000		
3 Panel Vans (large)	66,000	66,000		
1 van/car (large)	10,000	10,000		
1 Minibus	20,000	20,000		
1 Panel Van (large/chiller)	25,000	25,000		
<b>2010/2011 PROGRAMME</b>				
1 Staff Car	17,500		17,500	
1 Minibus	20,000		20,000	
1 Panel Van (small)	18,000		18,000	
2 Panel Vans (large)	44,000		44,000	
16 Vans/Cars (small)	120,000		120,000	
10 Vans/Cars (large)	120,000		120,000	
12 Water Tenders	2,100,000		2,100,000	
<b>2011/2012 PROGRAMME</b>				
5 Water Tenders	875,000			875,000
1 Aerial Ladder Platform	500,000			500,000
1 Staff Car	17,500			17,500
3 vans/cars (small)	22,500			22,500
2 Vans/Cars (large)	20,000			20,000
1 Van/Car (specialist)	12,500			12,500
1 Minibus	20,000			20,000
3 Panel Vans (small)	54,000			54,000
1 Panel Van (large)	22,000			22,000
	<b>7,096,500</b>	<b>3,113,500</b>	<b>2,439,500</b>	<b>1,543,500</b>