

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**

Item No: 8

**MEETING: 22<sup>nd</sup> NOVEMBER 2010****CAPITAL PROGRAMME 2010/2011 - SECOND REVIEW****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 review the current year's Programme and reflect changes from that presented to the Authority as a consequence of the First Capital Programme Review, on 14th June 2010.

**2. CAPITAL PROGRAMME 2010/2011 - SECOND REVIEW**

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

	<b>Revised Estimate (June)</b> £	<b>Revised Estimate (November)</b> £
Expenditure - Continuing Projects 2009/2010	800,423	713,880
- Projects Commencing 2010/2011	1,254,328	1,346,095
	<b>2,054,751</b>	<b>2,059,975</b>
Resources - Contribution from Revenue	1,854,751	1,859,975
- Fire Capital Grant	200,000	200,000
	<b>2,054,751</b>	<b>2,059,975</b>

- 2.2 Regular monitoring of the Capital Programme continues to take place which has resulted in an increase of £5,224 to the 2010/2011 Capital Programme. The following issues are brought to Members' attention:

**IT Equipment**

- 2.3 Smart Cards - As reported at first review, delays have arisen in relation to the specification of Smart Cards for door access and PC login. In order for the cards to be compliant to the Authority's systems, additional reprogramming work is required which will cost £7,500. This increase to the Capital Programme can be funded by a Revenue Contribution to Capital Outlay which has been transferred from the Authority's HR revenue budget.

**BTC – Security Improvements and Incident Management Training Facilities**

- 2.4 Works are now complete and an underspend of £37,065 has been identified resulting in a reduction to the Capital Programme. The savings have occurred due to the original estimate being based on a worst case scenario basis, but once site operations took place it was discovered not all of the work which had been originally anticipated was required for building alterations.

**BTC – Repairs to Fire Ground and Offices**

- 2.5 Works are now complete and an underspend of £56,978 has been identified resulting in a reduction to the Capital Programme. The savings have occurred as when intrusive surveys commenced on site this dictated that less structural alterations were required and the number of tiles in the hot-fire training buildings which needed to be replaced was less than originally anticipated.

**Operational Equipment**

- 2.6 A condition survey of operational equipment was carried out by the Response Support department and the result of the survey has found that Hydraulic Vehicle Pedal Cutters are in need of replacement. The cost of the replacement is £31,000 and is in addition to the Operational Equipment which is already included in the Capital Programme. This increase to the Capital Programme can be funded by a Revenue Contribution to Capital Outlay which has been transferred from the Authority's Community Safety revenue budget.

**Storage Facilities at Gosforth for ALP**

- 2.7 Confirmed figures have now been received in relation to the cost of the scheme. As the tenders received were higher than originally anticipated, in order to complete the scheme facilities, an increase to the original budget of £20,867 is now required for. Funding for this shortfall can be met from underspends in the BTC schemes detailed at paragraphs 2.4 and 2.5.

**Estates – Other schemes (less than £100,000)**

- 2.8 The expenditure and funding in relation to a number of schemes will increase by £39,900 as highlighted below:

Fire Behaviour Units - The Capital Programme includes the provision of two Fire Behaviour Units at a cost of £20,000 each, one in 2010/2011 and one in 2011/2012. Tenders have been received and show that both units can be delivered at a cost on £24,900 if both are purchased in 2010/2011. The funding shortfall of £4,900 in 2010/2011 can be met from underspends in the BTC schemes detailed at paragraphs 2.4 and 2.5. As the budget for the unit in 2011/2012 is no longer required, any potential future savings will be assessed and a decision will be made when the Capital budget for 2011/2012 is reported in February.

NEFRA Change Orders - The new NEFRA PFI station at Tynemouth opened in June 2010. In order for the station to be fully functional and meet all the requirements needed, it was necessary to request additional works whilst the contractors were on site for additional paving, showers and security improvements. These were over and above the original specification so the cost of the additional work has resulted in an increase to the Capital Programme of £35,000. The funding for this increase can be met from underspends in the BTC schemes detailed at paragraphs 2.4 and 2.5.

### **Capital Programme 2010/2011**

- 2.9 The variations detailed at paragraphs 2.3 to 2.8 have been reflected in the revised Capital Programme for 2010/2011, along with the ongoing impact into 2011/2012 and 2012/2013, at Appendix A.

## **3 PRUDENTIAL INDICATORS**

- 3.1 The Prudential Indicators for the financial year 2010/2011 were approved by the Authority on 22nd February 2010. 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 at the Capital Programme Third Review, or earlier if necessary.

## **4 RECOMMENDATIONS**

- 4.1 Members are requested to approve the revised Capital Programme for 2010/2011 as set out at Appendix A.

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**  
**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 £
<b>FIRE SERVICE</b>					
Continuing Projects	3,152,289	2,151,409	713,880	187,000	100,000
Projects Commencing 2010/2011 and Future Years	3,258,851	0	1,346,095	913,921	998,835
	<b>6,411,140</b>	<b>2,151,409</b>	<b>2,059,975</b>	<b>1,100,921</b>	<b>1,098,835</b>
<b>EMERGENCY PLANNING</b>	0	0	0	0	0
	<b>6,411,140</b>	<b>2,151,409</b>	<b>2,059,975</b>	<b>1,100,921</b>	<b>1,098,835</b>
<b>VEHICLE REPLACEMENT PROGRAMME</b>					
Fire Services-Vehicles	5,426,500	0	3,101,500	1,661,500	663,500
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>11,837,640</b>	<b>2,151,409</b>	<b>5,161,475</b>	<b>2,762,421</b>	<b>1,762,335</b>

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

Project Description	Gross Cost	Expenditure to 31.3.10	Estimated Payments		
			2010/11	2011/12	2012/13
	£	£	£	£	£
<b>Continuing Projects</b>					
<b>IT Equipment</b>	526,896	361,644	165,252	0	0
<b>Operational Equipment</b>					
Fireground Radios	180,000	111,573	68,427	0	0
Breathing Apparatus Equipment	598,000	422,051	175,949	0	0
<b>Estates</b>					
BTC - Security Improvements and Incident Management Training Facilities	936,839	905,977	30,862	0	0
BTC - Repairs to Fire Ground and Offices	178,572	154,634	23,938	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
	3,152,289	2,151,409	713,880	187,000	100,000
<b>Projects Commencing 2010/2011 and Future Years</b>					
<b>IT Equipment</b>					
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
<b>Operational Equipment</b>					
Operational Equipment	285,600	0	124,000	80,500	81,100
<b>Estates</b>					
Non PFI Station Refurbishment	345,000	0	275,000	70,000	0
Storage Facilities at Gosforth for ALP	221,867	0	221,867	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)	472,050	0	175,550	161,500	135,000
<b>Carbon Management Plan</b>	509,334	0	199,678	101,921	207,735
	3,258,851	0	1,346,095	913,921	998,835
	6,411,140	2,151,409	2,059,975	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 £
<b>VEHICLE REPLACEMENT PROGRAMME</b>				
<b>SLIPPED FROM 2009/2010 PROGRAMME</b>				
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		
<b>2010/2011 PROGRAMME</b>				
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		
<b>2011/2012 PROGRAMME</b>				
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	
<b>2012/2013 PROGRAMME</b>				
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