

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**

Item No: 5

**MEETING: 3<sup>rd</sup> NOVEMBER 2008****CAPITAL PROGRAMME 2008/2009 - SECOND 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 Programme and reflect changes from that presented to the Authority as a consequence of the First Capital Programme Review, on 16th June 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 (June)</b> £	<b>Revised Estimate (November)</b> £
Expenditure - Continuing Projects 2007/2008	1,984,464	1,365,728
- Projects Commencing 2008/2009	818,000	1,012,258
	<b>2,802,464</b>	<b>2,377,986</b>
Resources - SCE (R)	0	0
- Contribution from Revenue	2,802,464	2,377,986
	<b>2,802,464</b>	<b>2,377,986</b>

- 2.2 Regular monitoring of the Capital Programme continues to take place, and the following issues are brought to Members' attention:

**Estates - Brigade Training Centre (Security Improvements and Incident Management Training Facilities)**

- 2.3 As reported to Members previously, there are three individual elements to this scheme, namely the Incident Command Training Suite, Security Improvements at Headquarters / Brigade Training Centre and the development of a USAR Internal Training Area. The first two elements of the scheme are currently on schedule for completion in 2008/2009.

- 2.4 The development of the USAR Internal Training Area at Barmston Training Centre is a highly specialised and bespoke technical building project, which is at the detailed specification stage. Given the complexity and unique nature of the scheme, and the consequential time necessary to ensure that the requirements are comprehensively and accurately specified, the only costs that are anticipated to be incurred in 2008/2009 are in respect of design fees. The remainder of the estimated cost of the scheme (£486,478) is to be reprofiled from 2008/2009 to 2009/2010.

**Operational Equipment – Fireground Radios**

- 2.5 The upgraded model of the fireground radio has been developed and the procurement of the radios is complete. However, additional links are required to fit the radios to the breathing apparatus sets, and the purchase of the links has been intentionally delayed to coincide with the purchase of new breathing apparatus, which will take place in 2009/2010. Funding of £20,000 will, therefore, be carried forward into 2009/2010 and the links added when the new breathing apparatus is procured and brought into operational use.

**Vehicle Replacement Programme**

- 2.6 A further review of the Vehicle Replacement Programme has identified slippage from 2008/2009 to 2009/2010, as indicated below:

- 3 Operational Support Units	£450,000
- 3 Water Tenders	£525,000

- 2.7 These vehicles are all very specialised in nature, and the time taken to deal with the specification issues is expected to delay procurement until 2009/2010. The impact of these changes on the Authority's leasing budget has been considered and is included in the Second Review of the 2008/2009 Revenue Budget, elsewhere on today's agenda. Existing leases of the vehicles to be replaced have been extended to ensure that there is no impact on operational capability.

## **Operational Equipment**

- 2.8 In light of the slippage detailed above, the Chief Fire Officer has, as part of a regular review of capital investment needs of the service, reconsidered priorities for investment and identified a number of schemes which were planned for 2009/2010 and can be taken forward in this financial year. These include:
- Water Rescue and Flooding Equipment - £42,000
  - Replacement Hose Reel Branches - £24,000
  - Replacement PPV Units and Ancillary Equipment - £16,000.

It is proposed that the above individual schemes be funded from the 2008/2009 Capital Programme, and consequential adjustments made to the financing of the 2009/2010 Programme.

## **2008/2009 Capital Programme**

- 2.9 The variations detailed at paragraphs 2.3 to 2.8 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 at the Capital Programme Third Review, or earlier if necessary.

**4 RECOMMENDATIONS**

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