

**MEETING: 23rd JUNE 2014**

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**CAPITAL PROGRAMME OUTTURN 2013/2014 AND CAPITAL PROGRAMME  
FIRST REVIEW 2014/2015**

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**JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER**

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**1. INTRODUCTION**

- 1.1 The original Capital Programme for 2014/2015 was approved at the Authority meeting on 17th February 2014.
- 1.2 The purpose of this report is to present the provisional capital outturn for 2013/2014, highlighting the main variances from the 2013/2014 Capital Programme Third Review; and to review the current year's programme to reflect the actual outturn 2013/2014 position and other changes since the original programme for 2014/2015 was approved.

**2. PROVISIONAL OUTTURN 2013/2014**

- 2.1 The provisional outturn position on expenditure and resources for 2013/2014 is summarised below:

	<b>Third Review (January) £</b>	<b>Outturn £</b>
Expenditure - Continuing Projects 2012/2013	3,297,639	1,793,808
- Projects Commencing 2013/2014	667,600	515,934
	<b>3,965,239</b>	<b>2,309,742</b>
Resources - Contribution from Revenue	363,447	245,483
- Fire Capital Grant	1,250,540	784,018
- Day Crew Capital Grant	524,000	1,171
- Earmarked Reserves	861,835	313,653
- Command and Control Grant	965,417	965,417
	<b>3,965,239</b>	<b>2,309,742</b>
Vehicle Replacement Programme	107,500	29,726
	<b>4,072,739</b>	<b>2,339,468</b>

2.2 The Capital Programme outturn for 2013/2014 reflects a reduction in spending of £1,733,271 from £4,072,739 (reported to Members in January 2014) to £2,339,468 which has arisen as a result of the following:

2.2.1 Net underspends of £57,675 from a number of schemes completed during 2013/2014. The Asset Management Group has agreed that £37,846 of this be added to the Miquet Hardware budget of £26,166. This project slipped during the year and the hardware will now be purchased in 2014/2015, estimated to cost more than initially anticipated.

2.2.2 Acceleration of £69,843 from the 2014/2015 Capital Programme in to 2013/2014 to cover payment of components for replacement of IT hardware that were delivered earlier than expected.

2.2.3 Addition of £1,552 from the P&E revenue budget to cover remaining costs for new Fire demonstration Units.

2.2.4 A net underspending of £77,772 on the Vehicle Replacement Programme due, in the main, to the acquisition of a number of new water tenders which came in under budget.

2.2.5 Net slippage of £1,669,219 to 2014/2015 on a number of schemes. This is in addition to the £338,039 slippage already reported to Members during the year. The main reasons for this additional slippage are set out below for information:

IT Equipment – £104,844

- New Software and Supporting Systems - HR/MIS (£2,052) – this is in addition to the slippage of £50,000 already reported. Delivery of some elements of the HR/MIS software development project has been delayed into 2014/2015.
- Network and Comms Infrastructure Development (£102,662) – this is a result of delays with the contractor to complete the installation of circuits.

Carbon Management Plan - £195,184

- Delays in the procurement and tendering processes for new LED Lighting have resulted in this project being slipped into 2014/2015.

Control/Mobilising System - £493,344

- The final milestone payment has been delayed in respect of the Command and Control system, awaiting resolution of 'snagging' issues.

Estates Development Strategy Works - £875,773

- The works at Marley Park and Rainton Bridge have both been re-profiled due to delays in the projects with the result that more of the works will now take place in 2014/15.

2.3 The projects that have slipped were to be financed from a number of sources including earmarked reserves, Day Crewing Specific Capital Grant, Fire Capital Grant and capital slippage. In the case of the latter, the allocated revenue funding will remain in the Budget Carried Forward Reserve to meet the costs which will be incurred during 2014/2015.

### 3. CAPITAL PROGRAMME FIRST REVIEW - 2014/2015

3.1 The detailed Capital Programme for 2014/2015 is set out at Appendix A, and summarised below:

	<b>Original Estimate (February) £</b>	<b>Revised Estimate (June) £</b>
Expenditure - Continuing Projects 2013/2014	4,479,061	6,116,284
- Projects Commencing 2014/2015	83,000	83,000
	<b>4,562,061</b>	<b>6,199,284</b>
Resources - Fire Capital Grant	772,704	1,237,139
- Day Crewing Capital Grant	524,000	947,595
- Development Reserve	2,876,000	3,328,178
- Carbon Management Plan Reserve	200,000	475,184
- Revenue Budget C/fwd	189,357	211,188
	<b>4,562,061</b>	<b>6,199,284</b>
Vehicle Replacement Programme	990,000	990,000
	<b>5,552,061</b>	<b>7,189,284</b>

3.2 The Capital Programme has been increased by £1,637,223 from £5,552,061 (as approved by Members in February 2014) to £7,189,284. This is made up from the following:

Additional slippage from 2013/14 as reported	£1,669,219
Deduct: acceleration from 2014/15 in to 2013/14 for New Hardware	-£69,843
Add: addition to purchase of Miquet Hardware	£37,847
<b>Net Increase in Capital Programme</b>	<b>£1,637,223</b>

### 4. PRUDENTIAL INDICATORS

4.1 The prudential indicators, set during the budget process, are continually being monitored in the light of the provisional capital outturn and there are no issues to report. Any amendments to these indicators will be reported upon at the 2014/2015 Capital Programme Second Review along with compliance with the relevant prudential indicators determined.

## **5. RECOMMENDATIONS**

### **5.1 Members are requested to:**

- Note the projected outturn position for 2013/2014;
- Approve the transfer of the anticipated net slippage of £1,669,219 into 2014/2015; and
- Note and approve the revised Capital Programme for 2014/2015, as set out at Appendix A, in light of the capital outturn position for 2013/2014.