

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

MEETING: 18th JANUARY 2016

Item 4

SUBJECT: CAPITAL PROGRAMME 2015/2016 - THIRD REVIEW

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

1. INTRODUCTION

- 1.1 The original Capital Programme for 2015/2016 was approved at the Authority meeting on 16th February 2015.
- 1.2 The purpose of this report is to review the current year's Programme and reflect further changes to those that were presented to the Authority as a consequence of the Second Capital Programme Review on 16th November 2015.

2. CAPITAL PROGRAMME 2015/2016 - THIRD REVIEW

- 2.1 The position for 2015/2016 is set out at Appendix A, and is summarised below:

	Second Review	Third Review
	Revised Estimate (Nov) £	Revised Estimate (Jan) £
Expenditure - Continuing Projects 2014/2015	4,598,707	4,452,358
- Projects Commencing 2015/2016	2,075,300	2,204,350
- Vehicle Replacement Programme	930,632	264,342
	7,604,639	6,921,050
Resources - Fire Capital Grant	3,175,867	3,393,910
- Day Crew Capital Grant	326,829	326,829
- Transformation Grant	846,800	846,800
- Development Reserve	1,951,997	1,951,997
- Carbon Management Plan Reserve	132,636	132,636
- Revenue Budget C/fwd	239,878	239,878
- Option Appraisal	901,632	0
- North Tyneside Reward Grant	29,000	29,000
	7,604,639	6,921,050

- 2.2 The Capital Programme is showing a net reduction of £683,589 from £7,604,639 to £6,921,050.
- 2.3 Regular monitoring of the Capital Programme continues to take place and at the Third Review stage the following issues are brought to Members' attention for information:

ICT

- 2.4 Purchase of the Fireground Radios is now complete and a small saving of £4,484 has been made. The Capital Programme has been amended for this.
- 2.5 The future direction of the HR/MIS software has been reviewed by the Senior Management Team. A business case has been agreed to replace the legacy HR/MIS with a modern system that can be integrated and developed to support organisational change. The project will commence in January 2016 and be completed by July 2017. The delay on the project means that £112,000 will need to be slipped in to 2016/2017 and the Capital Programme will be reviewed and amended accordingly.

Operational Equipment

- 2.6 Purchase of the thermal scanners is now complete and a saving of £15,200 has been confirmed. Replacement of the rope rescue and confined space equipment is now complete for 2015/2016 with an underspend of £5,000. The Capital Programme has been updated to reflect the changes.
- 2.7 The existing foam and firefighting equipment is due to be tested in January. Depending on the outcome, there may be some slippage in to 2016/2017 to replace the equipment at a later date. This will be reported once the testing is complete.

Carbon Management Plan (CMP)

- 2.8 Purchase of the fuel efficient vehicles is now complete with a confirmed underspend of £24,865. The Environmental Steering Group has recommended that this be used towards the vehicle charging points which have been costed to be more than expected. This is a transfer of funding between projects and the Capital Programme has been amended.

TSC – Non Vehicle Replacement Programme Items

- 2.9 A saving of £2,615 has been made on purchase of the fuel management system. The Capital Programme has been updated.

Additional Projects

- 2.10 An additional project has been created to enhance the car parking available at West Denton fire station and former control room, adding value to this asset and supporting collaboration and the generation of income, including the lease of the former control room by the North East Ambulance Service. The estimated cost of this work is £122,000 and the Asset Management has recommended that savings made on projects due to complete by the end of the financial year be used to finance this, with the balance being funded from available general Fire Capital Grant.

3. VEHICLE REPLACEMENT PROGRAMME

- 3.1 As reported at second review, delivery lead-in times mean that the Aerial Ladder Platform vehicle will now be delivered in August 2016 and as a result £666,290 will need to be slipped into 2016/2017 when this payment will become due. The Capital Programme has been updated to reflect this. More favourable exchange rates are also expected to generate a saving on the final cost. The exact amount will not be known however until the purchase is fully complete and final payments have been made.

4. PRUDENTIAL INDICATORS

- 4.1 The Prudential Indicators for the financial year 2015/2016 were approved by the Authority on 16th February 2015. 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.
- 4.2 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.

5 RECOMMENDATION

Creating the Safest Community

- 5.1 Members are requested to note the reported variations since the Second Review and approve the revised Capital Programme for 2015/2016, as set out at Appendix A.