

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No 05

MEETING: 21st JANUARY 2013

CAPITAL PROGRAMME 2012/2013 - THIRD REVIEW

JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER

1. INTRODUCTION

- 1.1 The original Capital Programme for 2012/2013 was approved at the Authority meeting on 20th February 2012.
- 1.2 The purpose of this report is to review the current year's Capital Programme and reflect changes from that presented to the Authority as a consequence of the Second Capital Programme Review on 19th November 2012.

2. CAPITAL PROGRAMME REVIEW 2012/2013

- 2.1 The position for 2012/2013 is set out at Appendix A, and summarised below:

		Second Review	Third Review
	Original Estimate	Revised Estimate (Nov)	Revised Estimate (Jan)
	£	£	£
Expenditure	- Continuing Projects 2011/2012	535,217	1,157,205
	- Projects Commencing 2012/2013	3,479,600	3,966,611
		4,014,817	5,123,816
Resources	- Contribution from Revenue	318,589	1,201,391
	- Earmarked Reserves	2,461,395	2,461,395
	- Fire Capital Grant	200,000	200,000
	- Diversity and Equality Grant	34,833	34,833
	- Sainsbury's Grant	0	5,600
	- Mobilisation/Control Project Grant	1,000,000	822,597
	- RCC Reserve	0	350,000
	- New Dimensions Revenue Grant	0	48,000
	4,014,817	5,086,749	5,123,816
Vehicle Replacement Programme	0	0	0
	4,014,817	5,086,749	5,123,816

- 2.2 Regular monitoring of the Capital Programme continues to take place, and a number of variations are noted at paragraphs 2.3 to 2.9 which result in a net increase of £37,067 to the 2012/2013 Capital Programme.

Estates

- 2.3 As reported at second review, there was projected a saving on the Temperature Control System to Fire Training Houses. This can now be estimated in the region of £100,000 and will be closely monitored. As reported previously this will be used to finance the additional cost of the Low Activity Station Project and to procure vents for the hot fire structures in the Training Centre.
- 2.4 The West Denton refurbishment of £50,035 has been postponed pending the mobilisation/control review. This will be slipped in to the Capital Programme for 2013/2014.
- 2.5 It is projected that the total cost of the Dignified Accommodation Review will be £6,500 over the original estimate. This will be met from underspends within other Estate projects.

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- 2.6 There has been progress made on replacement of the Fireground Radio equipment and there is now a possibility that procurement may be complete by the end of the financial year, when previously it was uncertain that these costs would be incurred in 2012/2013. The situation will be kept under close review.
- 2.7 It is unclear at this stage whether upgrade/replacement of the HR Software of £157,000 will be incurred in 2012/2013. The Capital Programme will be reviewed and amended accordingly if these costs slip into 2013/2014.

Control/Mobilising System

- 2.8 It was reported at second review that the mobilising and resource management system would be paid in four equal instalments at set stages of implementation during 2012/2013 and 2013/2014. The contract has been updated since with a slight change to the profiling of the payments. This has resulted in a need to bring forward £32,602 of the system cost in to 2012/2013.

Additional Projects

- 2.9 The Capital Working Group has requested that an additional scheme to purchase Thermal Imaging Cameras be added to the Capital Programme for 2012/2013. This will cost £48,000 and be financed from New Dimensions Revenue Grant.

3 CAPITAL GRANT FUNDING

- 3.1 As in previous years, capital grant funding for 2013/2014 and 2014/2015 will be allocated to fire authorities on a population basis. The Authority will receive £1,094,917 in both 2013/2014 and 2014/2015 using this methodology.
- 3.2 In addition, authorities were invited to submit bids for supplementary funding for specific projects that they deemed essential to the service and which would generate a return on the capital invested. In total, Government is allocating a supplementary £38 million to 15 fire and rescue authorities across the two financial years. Tyne and Wear Fire and Rescue Authority has been successful in one of their two bids in respect of 'day crewing initiative' and will receive an additional grant of £524,000 in both years towards the costs of this scheme. This is very welcome news and the Authority should be congratulated on achieving this additional funding.

4 PRUDENTIAL INDICATORS

- 4.1 The Prudential Indicators for the financial year 2012/2013 were approved by the Authority on 20th February 2012. 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. A full review of the indicators will be reported at the Capital Programme Third Review, or earlier if necessary.

5 RECOMMENDATIONS

- 5.1 Members are requested to approve the revised Capital Programme for 2012/2013 as set out at Appendix A.