

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No: 5

MEETING: 23rd NOVEMBER 2009**CAPITAL PROGRAMME 2009/2010 - SECOND REVIEW****JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER****1. INTRODUCTION**

- 1.1 The original Capital Programme for 2009/2010 was approved at the Authority meeting on 23rd February 2009.
- 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 15th June 2009.

2. CAPITAL PROGRAMME 2009/2010 - SECOND REVIEW

- 2.1 The position for 2009/2010 is set out at Appendix A, and summarised below:

	Revised Estimate (June) £	Revised Estimate (November) £
Expenditure - Continuing Projects 2008/2009	1,486,415	1,651,515
- Projects Commencing 2009/2010	1,143,200	1,058,200
	2,629,615	2,709,715
Resources - Contribution from Revenue	2,429,852	2,509,952
- Fire Capital Grant	199,763	199,763
	2,629,615	2,709,715

- 2.2 Regular monitoring of the Capital Programme continues to take place which has resulted in an increase of £80,100 to the 2009/2010 Capital Programme. The following issues are brought to Members' attention:
- 2.3 Reports have been presented to Members in relation to the Barmston Training Centre (BTC) Incident Management Training Facility (July 2009) and the BTC Repairs to Fire Ground (September 2009) identifying additional scheme costs totalling £125,859. As a result, the Authority's Asset Management Group was tasked with revisiting the Capital Programme and, through reprioritising and reprofiling existing schemes, has been able to accommodate this additional cost within existing resources.

Barmston Training Centre (Security Improvements and Incident Management Training Facilities)

- 2.2 As reported to Authority on 20th July 2009, the tendering exercise for the procurement of the Urban Search and Rescue (USAR) Incident Training Facility resulted in a shortfall of funding of £80,309. This shortfall has been met by reprioritising and reprofiling existing schemes, including the roll-out of further CCTV equipment, deferring minor estates schemes at Newcastle West and North Tyneside South stations and the reduction to the Station Refurbishment Scheme.

Barmston Training Centre (Repairs to Fire Ground and Offices)

- 2.3 As reported to Authority on 21st September 2009, the repairs to structural damage in one of the hot-fire training buildings gave rise to additional costs of £45,550. The funding shortfall has been met through reprioritising and reprofiling the ICT Capital budget, including rescheduling the non business-critical element of the IT Equipment Replacement Scheme. This will have no negative impact on service delivery.

Safetyworks!

- 2.4 The contract for the Capital works undertaken at the Safetyworks Centre includes works that were originally designated as revenue, with funding originally provided for this in the Revenue Budget. The nature of these works has now been reviewed and should be classified as Capital, resulting in an increase in the Capital Programme of £80,100. Funding for these costs was earmarked in the Budget Carry Forward Reserve at the end of 2008/2009, and a Revenue Contribution to Capital will, therefore, be used to fund these costs as they arise in 2009/2010.
- 2.5 Members should note that this is simply a reclassification of existing, known, costs rather than an increase in overall terms.

Diversity and Equality Stretch Target Grant Funding

- 2.6 The Authority has been awarded a capital grant of £34,482 by Communities and Local Government (CLG) to support the commitment of the Authority to achieve higher equality and diversity ethnic recruitment targets. At this stage, consideration is being given on how best to utilise these funds, with a number of options being reviewed.
- 2.7 This grant is not time-limited, and further updates will be provided to Members on the recommended use of this grant.

Vehicle Replacement Programme**SafetyWorks!**

- 2.8 The Safetyworks! facility currently has no provision to transport elderly or disabled guests to and from the Safetyworks! Centre, and it is recommended to purchase a minibus with disabled access lifts to address this. The cost of the vehicle is £35,000 and funding for this has been obtained from Northumbria Police who continue to support the delivery of Safetyworks! initiatives. A full option appraisal will be undertaken to identify the most appropriate method of financing the purchase of the minibus.

Water Rescue Vehicle

- 2.9 With the development of Swift Water Rescue, USAR and High Volume Pump capabilities within the Authority and the requirement for these facilities to respond to incidents within, and beyond, the Authority's borders, the need for a dedicated vehicle to transport personnel and equipment has been identified. It is proposed to amend the Vehicle Replacement Programme and delete the large van/car in the 2009/2010 programme and replace this with a Water Rescue Vehicle. The cost of the vehicle is £28,000, which is an increase of £18,000 from the original Vehicle Replacement Programme. If approved, an option appraisal will be undertaken to identify the best option for financing the purchase of the Water Rescue Vehicle.

Aerial Ladder Platform

- 2.10 The 2009/2010 Vehicle Replacement Programme includes provision for the purchase of an Aerial Ladder Platform at an estimated cost of £485,000. Previous experience indicates that the lead time for the delivery of the Aerial Ladder Platform from placing the original order is 18 months to 2 years, and the anticipated delivery of the vehicle is July 2010. The purchase of this vehicle will, therefore, slip from 2009/2010 to 2010/2011.
- 2.11 Whilst a full option appraisal will be undertaken, it is anticipated that this vehicle will be financed through a lease facility, and this slippage will result in an underspend in the 2009/2010 Revenue Budget of £77,000.

Capital Programme 2010/2011

- 2.12 The variations detailed at paragraphs 2.3 to 2.13 have been reflected in the revised Capital Programme for 2009/2010, along with the ongoing impact into 2010/2011 and 2011/2012, at Appendix A.

3 PRUDENTIAL INDICATORS

- 3.1 The Prudential Indicators for the financial year 2009/2010 were approved by the Authority on 23rd February 2009. 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 2009/2010 as set out at Appendix A.