

**MEETING: 11<sup>th</sup> JUNE 2012**

**CAPITAL PROGRAMME OUTTURN 2011/2012 AND CAPITAL PROGRAMME FIRST REVIEW 2012/2013**

**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 2011.
- 1.2 The purpose of this report is to present the provisional capital outturn for 2011/2012, highlighting the main variances from the 2011/2012 Capital Programme Third Review; and to review the current year's programme to reflect the actual outturn 2011/2012 position and other changes since the original programme was approved.

**2. OUTTURN 2011/2012**

- 2.1 The provisional outturn position on expenditure and resources for 2011/2012 is summarised below:

	<b>Third Review (January)</b>	<b>Outturn</b>
	<b>£</b>	<b>£</b>
Expenditure - Continuing Projects 2010/2011	748,329	375,726
- Projects Commencing 2011/2012	735,779	655,942
	<b>1,484,108</b>	<b>1,031,668</b>
Resources - Contribution from Revenue	1,197,774	945,285
- Fire Capital Grant	200,000	0
- Diversity and Equality Grant	34,482	34,131
- Sainsbury's Grant	12,500	6,900
- REIEP Grant	18,670	18,670
- Legacy Funding – rcvd 2010/2011	26,682	26,682
	<b>1,484,108</b>	<b>1,031,668</b>
Vehicle Replacement Programme (purchased due to the best value option being the outcome of an option appraisal)	2,527,000	0
	<b>4,011,108</b>	<b>1,031,668</b>

2.2 The Capital Programme outturn for 2011/2012 reflects a reduction in spending of £2,979,440 from £4,011,108 (reported to Members in January 2012) to £1,031,668, which has arisen as a result of the following:

2.2.1 Minor net underspends of £38,150 from a number of schemes completed during 2011/2012.

2.2.2 The addition to the programme of £54,730 relating to purchase of additional items of equipment, plus a contribution from revenue of £7,123 to existing schemes.

2.2.3 Net slippage from 2010/2011 to 2011/2012 of £476,143, as detailed below. This is in addition to the £222,322 reported at the Third Review.

IT Equipment – £78,817

- HR Software Upgrade/Replacement (additional £19,360) – development of the MIS/HR software system has been delayed due to its links with the review of the Mobilisation/Control systems. The total slippage of £114,360 will be carried forward in to 2012/2013.
- New and Replacement Hardware (£59,457) – hardware for the next phase of the Miquet Asset Management System has been ordered but the supplier was unable to deliver the goods before the end of the financial year.

Operational Equipment - £7,800

- Fire Demonstration Units (£7,800) – supplier delays has meant that two of the four units ordered will be delivered in 2012/2013. £5,600 of this will be funded from the remaining Sainsbury's Grant with the balance met from Revenue Contribution to Capital Outlay (RCCO).

Estates - £389,526

- West Denton General Refurbishment (additional £35) – work has been postponed pending the mobilisation/control review. The total slippage of £30,035 will be carried forward in to 2012/2013.
- Temperature Control System to Fire Training Houses (£123,499) – work has been delayed due to unforeseen repairs to the tiling required prior to fitting of the Temperature Control System equipment.
- Carbon Management Plan (£253,663) – following specialist advice on planned Carbon Reduction Initiatives and their relative carbon reduction and future benefits, this funding will be concentrated in to two projects for the final year of this three year programme. Boiler replacement works have been delayed until summer 2012 to ensure that the disruption to the affected fire stations is minimal.
- Other (£12,329) – slippage has arisen on a number of other schemes.

2.2.4 A full review of the Vehicle Replacement Programme to extend the lifespan of emergency vehicles and reduce the non-emergency fleet based on organisational need and usage has been undertaken. This has significantly reduced the programme in 2011/2012 and will impact on future years to realise savings for the Authority in terms of capital outlay and reduced capital

costs in the revenue budget. Future vehicle replacement will be reviewed on an annual basis and will be included in the Capital Programme as appropriate.

- 2.3 With the exception of the Fire Demonstration Units, indicated in 2.2.3, all other schemes that have slipped were being financed through a Revenue Contribution to Capital Outlay. Funding will be carried forward into 2012/2013 through the Budget Carry Forward Reserve to meet the costs as they arise.

**3. CAPITAL PROGRAMME FIRST REVIEW - 2012/2013**

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

	<b>Original Estimate (February) £</b>	<b>Revised Estimate (June) £</b>
Expenditure - Continuing Projects 2011/2012 - Projects Commencing 2012/2013	535,217	1,233,679
	3,479,600	3,479,600
	<b>4,014,817</b>	<b>4,713,279</b>
Resources - Contribution from Revenue/Reserves - Fire Capital Grant - Sainsbury's Grant - Diversity and Equality Grant - Mobilisation / Control Project Grant	2,780,335	3,472,846
	200,000	200,000
	0	5,600
	34,482	34,833
	1,000,000	1,000,000
	<b>4,014,817</b>	<b>4,713,279</b>
Vehicle Replacement Programme	0	0
	<b>4,014,817</b>	<b>4,713,279</b>

**Capital Programme**

- 3.2 The Capital Programme has been increased by £698,462 from £4,014,817 (as approved by Members in February 2012) to £4,713,279.

**4. PRUDENTIAL INDICATORS**

- 4.1 The prudential indicators, set during the budget process, are currently being reviewed in the light of the provisional capital outturn. Any amendments to these indicators will be reported upon at the 2012/2013 Capital Programme Second Review.

**5. RECOMMENDATIONS**

- 5.1 Members are requested to approve the revised Capital Programme for 2012/2013, as set out at Appendix A, in light of the capital outturn 2011/2012.

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**  
**CAPITAL PROGRAMME 2012/2013 TO 2014/2015**

**SUMMARY**

Project Description	Gross Cost £	Expenditure to 31.03.2012 £	Slippage from 2011/12 £	Estimated Payments		
				2012/13 £	2013/14 £	2014/15 £
<b>FIRE SERVICE</b>						
Continuing Projects	2,208,156	514,477	698,462	1,233,679	260,000	200,000
Projects Commencing 2012/2013 and Future Years	12,330,500	0	0	3,479,600	6,449,600	2,401,300
	<b>14,538,656</b>	<b>514,477</b>	<b>698,462</b>	<b>4,713,279</b>	<b>6,709,600</b>	<b>2,601,300</b>
<b>VEHICLE REPLACEMENT PROGRAMME</b>	0	0	0	0	166,000	600,000
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>14,538,656</b>	<b>514,477</b>	<b>698,462</b>	<b>4,713,279</b>	<b>6,875,600</b>	<b>3,201,300</b>

Project Description	Gross Cost £	Expenditure to 31.03.2012 £	Slippage from 2011/12 £	Estimated Payments		
				2012/13 £	2013/14 £	2014/15 £
<b>Continuing Projects</b>						
<b>Estates</b>						
Works arising from Stock Condition Survey (project commenced 09/10)	467,244	247,244	0	60,000	60,000	100,000
Temperature Control System - Hot Fire Structures	267,126	21,126	123,000	246,000	0	0
West Denton - General Refurbishment	160,000	9,965	30,035	50,035	100,000	0
Other schemes (less than £100,000)	221,664	174,354	12,828	47,310	0	0
<b>Operational Equipment</b>						
Fire Demonstation Units	14,700	6,900	7,800	7,800	0	0
<b>Carbon Management Plan</b>	493,062	31,667	253,660	461,395	0	0
<b>IT</b>						
New and Replacement Hardware (11/12)	70,000	543	59,457	69,457	0	0
Network & Comms Infrastructure Development (11/12)	120,000	22,678	97,322	97,322		
New Software & Supporting Systems (11/12)	394,360	0	114,360	194,360	100,000	100,000
	<b>2,208,156</b>	<b>514,477</b>	<b>698,462</b>	<b>1,233,679</b>	<b>260,000</b>	<b>200,000</b>
<b>Projects Commencing 2012/2013 and Future Years</b>						
<b>IT Equipment</b>						
New and Replacement Hardware (12/13)	448,000	0	0	117,000	197,000	134,000
Network & Comms Infrastructure Development (12/13)	162,000	0	0	0	112,000	50,000
Replacement Command and Control System (12/13)	1,000,000	0	0	1,000,000	0	0
<b>Operational Equipment</b>						
Operational Equipment	420,500	0	0	62,600	140,600	217,300
<b>Estates</b>						
Low Activity Station Project	300,000	0	0	300,000	0	0
<b>Estates Development Strategy Works - Stations 51 &amp; 53</b>	10,000,000	0	0	2,000,000	6,000,000	2,000,000
	<b>12,330,500</b>	<b>0</b>	<b>0</b>	<b>3,479,600</b>	<b>6,449,600</b>	<b>2,401,300</b>
	<b>14,538,656</b>	<b>514,477</b>	<b>698,462</b>	<b>4,713,279</b>	<b>6,709,600</b>	<b>2,601,300</b>

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

CAPITAL PROGRAMME 2012/2013 TO 2014/2015

Project Description	Gross Cost £	Expenditure to 31.03.2012 £	Slippage from 2011/12 £	Estimated Payments		
				2012/13 £	2013/14 £	2014/15 £
<b>VEHICLE REPLACEMENT PROGRAMME</b>						
<b>SLIPPED FROM 2010/2011 PROGRAMME</b>						
1 Panel Van	20,000			0	20,000	0
1 Panel Van	25,000			0	25,000	0
3 Vans/Cars	27,000			0	27,000	0
<b>SLIPPED FROM 2011/2012 PROGRAMME</b>						
1 Vans/Car (small)	9,000			0	9,000	0
2 Vans/Cars (large)	25,000			0	25,000	0
<b>2012/2013 PROGRAMME</b>						
No items				0	0	0
<b>2013/2014 PROGRAMME</b>						
4 Vans/Cars (large)	60,000			0	60,000	0
<b>2014/2015 Programme</b>						
1 Aerial Ladder Platform	600,000			0	0	600,000
	<b>766,000</b>	<b>0</b>		<b>0</b>	<b>166,000</b>	<b>600,000</b>

