

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No. 9

MEETING: 10th JUNE 2013

**CAPITAL PROGRAMME OUTTURN 2012/2013 AND CAPITAL PROGRAMME
FIRST REVIEW 2013/2014**

JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER

1. INTRODUCTION

- 1.1 The original Capital Programme for 2013/2014 was approved at the Authority meeting on 18th February 2013.
- 1.2 The purpose of this report is to present the provisional capital outturn for 2012/2013, highlighting the main variances from the 2012/2013 Capital Programme Third Review; and to review the current year's programme to reflect the actual outturn 2012/2013 position and other changes since the original programme for 2013/2014 was approved.

2. OUTTURN 2012/2013

- 2.1 The provisional outturn position on expenditure and resources for 2012/2013 is summarised below:

	Third Review (January) £	Outturn £
Expenditure - Continuing Projects 2011/2012	1,157,205	592,232
- Projects Commencing 2012/2013	3,966,611	2,955,383
	5,123,816	3,547,615
Resources - Contribution from Revenue	1,201,391	716,067
- Earmarked Reserves	2,461,395	1,700,531
- Fire Capital Grant	200,000	200,000
- Diversity and Equality Grant	34,833	34,833
- Sainsbury's Grant	5,600	3,000
- Mobilisation/Control Project Grant	822,597	434,584
- RCC Reserve	350,000	350,000
- New Dimensions Revenue Grant	48,000	54,700
- Contribution from Northumberland County Council	0	53,900
	5,123,816	3,547,615
Vehicle Replacement Programme	0	644,126
	5,123,816	4,191,741

- 2.2 The Capital Programme outturn for 2012/2013 reflects a reduction in spending of £932,075 from £5,123,816 (reported to Members in January 2013) to £4,191,741 which has arisen as a result of the following:
- 2.2.1 Net underspends of £107,675 from a number of schemes completed during 2012/2013.
- 2.2.2 Addition to the programme of £52,784 for two new schemes, an operational assurance database and road barriers to Station Headquarters, plus additional items of equipment within existing schemes.
- 2.2.3 Addition to the programme of £18,375 for gym equipment purchased from revenue during the year.
- 2.2.4 The Estates Development Strategy has made progress in the year with the successful land acquisition and completion of two sites to replace Sunderland Stations M (51) and H (53) respectively, in accordance with the approval received from members at the Authority's meeting held on 15th October 2012 (Part II of the Agenda). The Authority continues to proactively manage these developments and has re-profiled costs of £502,295 into future years. The progress of the two projects will be reported to members as part of the usual quarterly capital programme review reports.
- 2.2.5 Purchase of two operational support units, a heavy rescue tender and two vans totalling £644,126 which was approved by members during 2011/2012.
- 2.2.6 Net slippage from 2012/2013 to 2013/2014 of £1,037,390. This is in addition to the £50,035 reported at the Third Review. £150,000 of the £1,037,390 slippage was reported when the 2013/2014 Programme was agreed in February in respect of the HR Software Upgrade and Replacement. The reasons for the remaining slippage of £887,390 are set out below:

IT Equipment – £144,664

- HR Software Upgrade/Replacement (additional £19,360 to £150,000 as per above) – there has been difficulties identifying a suitable supplier of a replacement system.
- Network and Comms Infrastructure Development (£97,322) – there has been a delay in the production of compatible Fireground Radios. It is expected that £8,000 of this will be spent in 2013/2014, but that the remaining £89,322 will not be spent until 2014/2015. This has been built in to the revised Capital Programme.
- New and Replacement Hardware – Miquet (£27,982) – there has been a number of technical issues requiring resolution prior to any additional costs being incurred. It is expected that these will be resolved by June 2013.

Operational Equipment - £28,480

- Fire Demonstration Units (£9,300) – the remaining units will be delivered in 2013/2014.
- Thermal Imaging Cameras (£4,230) – an additional camera ordered in 2012/2013 will not be delivered until the new financial year.
- Operational Assurance Database (£14,950) – delivery of the software has been delayed by the supplier. Delivery is anticipated early in the new financial year.

Estates - £41,369

- Brigade Training Centre (BTC) Vents to Fire Training Houses (£16,695) - delays on the earlier works to the BTC structures and the pre-arranged training schedule have resulted in this work being postponed into 2013/2014.
- Occupational Health Unit Works (£4,674) – the final alterations will take place in the early part of 2013/2014.
- Station Headquarters Road Barriers (£20,000) – this scheme was added to the Programme later in the year after seeking agreement from Sunderland City Council to undertake the works and will take place in 2013/2014.

Carbon Management Plan - £158,449

- Boiler Replacement (£17,855) - the final works on this project will be completed early in 2013/2014 due to some minor adjustments being required once work had commenced.
- LED Lighting (£140,594) - delays in the procurement and tender processes have resulted in this project being deferred until 2013/2014.

Estates Development Strategy - £48,766

- Station H (£48,766) – Whilst the total budget over the lifetime of this scheme remains unchanged, the scheduling of costs has been further updated to reflect more up to date information, necessitating this small budget variation to be moved into 2013/2014.

Mobilising Project - £465,662

- Control/Mobilising System (£242,977) - The second stage payment, originally due to be made at the end of March, is now due at the end of April, requiring this budget to be moved into 2013/2014.
- Network & Comms Infrastructure (£3,617) - some minor elements of work need to be completed in the new financial year.
- San H Hardware (£151,016) - This product has been subject to a long lead in time for delivery and installation, which is expected early in 2013/2014.
- Station Headquarter alterations for Control relocation (£68,052) - contractor programme delays have led to the delivery of the correct furniture for this project being delayed into 2013/2014.

2.3 The projects that have slipped were to be financed from a number of sources including earmarked reserves, specific capital grants and revenue

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contributions to capital outlay. In the case of the latter, the allocated revenue funding will be carried forward into 2013/2014 through the Budget Carry Forward Reserve to meet the costs as they arise.

3. CAPITAL PROGRAMME FIRST REVIEW - 2013/2014

3.1 The position for 2013/2014 is set out at Appendix A, and summarised below:

	Original Estimate (February) £	Revised Estimate (June) £
Expenditure - Continuing Projects 2012/2013	2,804,490	3,554,178
- Projects Commencing 2013/2014	447,600	754,600
	3,252,090	4,308,778
Resources - Fire Capital Grant	1,291,432	1,117,342
- Day Crewing Capital Grant	524,000	524,000
- Command and Control Grant	760,623	1,162,637
- Development Reserve	476,000	476,386
- Carbon Management Plan Reserve	0	189,213
- Earmarked Reserves	0	276,236
- Revenue Budget C/fwd	200,035	562,964
	3,252,090	4,308,778
Vehicle Replacement Programme	196,000	196,000
	3,448,090	4,504,778

3.1 The Capital Programme has been increased by £1,056,688 from £3,448,090 (as approved by Members in February 2013) to £4,504,778. This is made up the following:

Additional slippage from 2012/2013	£887,390
New Schemes (detailed below)	£307,000
Reprofiling of Continuing Schemes	(£137,702)
Net Increase in Capital Programme	£1,056,688

3.2 A number of new Carbon Management Plan projects were approved by the Authority in March 2013. These total £507,000, £307,000 in 2013/2014 and £200,000 in 2014/2015. These have been added to the Capital Programme and will be funded from the remaining Carbon Management Plan Reserve and other earmarked reserves.

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 2013/2014 Capital Programme Second Review.

5. RECOMMENDATIONS

- 5.1 Members are requested to approve the revised Capital Programme for 2013/2014, as set out at Appendix A, in light of the capital outturn 2012/2013.

