

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

MEETING: 18 NOVEMBER 2019

Item No. 7

SUBJECT: CAPITAL PROGRAMME 2019/2020 - SECOND QUARTERLY REVIEW

JOINT REPORT OF THE CHIEF FIRE OFFICER AND CHIEF EXECUTIVE (CLERK TO THE AUTHORITY) AND THE STRATEGIC FINANCE MANAGER

1. INTRODUCTION

- 1.1 The original Capital Programme for 2019/2020 was approved by the Authority on 18th February 2019.
- 1.2 The purpose of this report is to review the current year's Programme and reflect any further changes necessary to those that were presented to the Authority as a consequence of the First Capital Programme Review on 10th June 2019.

2. CAPITAL PROGRAMME 2019/2020 – SECOND REVIEW

- 2.1 The position for 2019/2020 is set out at Appendix A, and is summarised below:

	First Review	Second Review
	Revised Estimate (June) £	Revised Estimate (November) £
Expenditure - Continuing Projects 2018/2019	7,666,538	8,380,115
- Projects Commencing 2019/2020	223,650	460,447
- Vehicle Replacement Programme	3,294,000	1,624,000
	11,184,188	10,464,562
Resources - Capital Receipts Applied	2,416,289	2,454,615
- Home Office Section 31 Grant	788,448	1,785,988
- Capital Reserve	7,206,125	5,950,633
- Capital Receipt	7,460	7,460
- Command and Control	15,866	15,866
Earmarked Funding		
- Revenue Contribution to Capital	750,000	250,000
	11,184,188	10,464,562

- 2.2 The Capital Programme is showing a decrease in total of £719,626, from £11,184,188 at the First Review stage to £10,464,562.

- 2.3 Regular monitoring of the Capital Programme continues to take place and at the Second Quarterly Review stage the following issues are brought to Members' attention for information:

Estates (- £323)

- 2.4 The stock condition survey has revealed that fire alarms are required at three locations across the estate. Economies of scale mean that it is better value for money for the service to purchase and install all three in the current year. This will result in an overspend of £9,039 on the stock condition survey works. This will be funded partly from underspend against the Estates Capital Programme and the remainder from capital reserves.
- 2.5 Additional works are required to complete installation of the new laundry and washer facilities at the Training Centre. This will cost an additional £8,763. It has also been identified that to ensure gender equality for BTC instructors, female instructor shower and changing facilities are required in the Training Centre. This work will cost an additional £16,000. The additional BTC costs will be funded from capital reserves.
- 2.6 Replacement of the heating system at West Denton is now complete with an underspend of £34,125. This will be required to fund the new estates project to replace derv tanks (para 2.17) and partly fund the overspend on the stock condition survey reported in paragraph 2.4.
- 2.7 The Programme has been amended to reflect these changes.
- 2.8 The Authority continues to explore opportunities to dispose of surplus land and buildings, and good progress is being made in this regard. The net Capital receipts arising from this activity must be used to fund the Capital Programme in accordance with Government legislation.

ICT (+ £8,500)

- 2.9 The recruitment module of the Integrated Data System (IDS) project is now live and progress is being made on the Core Talent and Learning modules. During the implementation process of phase two it has become evident that additional capability to record and manage safety critical competency events, risk critical equipment and the related policies and procedures, is required. An alternative solution has been sought in a bespoke system using the same platform as the Staffing Module which will allow seamless transfer of risk critical data. This will cost £30,000 but it is anticipated that there will be an underspend of £21,500 on the rest of the project, so will be a net additional cost implication of £8,500. This will be funded from capital reserves.

Operations (- £12,453)

- 2.10 The needs within the Operational Replacement Programme have been reassessed alongside the requirements for the new fire appliances and there are a number of items that are no longer deemed essential to acquire or replace in this year. The Programme is projected to underspend in the current

year and the value will be reported once the programme for 2019/2020 is complete. Any underspend will be used to finance the purchase of the gas detectors (para 2.21).

- 2.11 The body worn cameras are now being used within the Service. Additional equipment is required but there will be an underspend of £12,453 once the project is complete. This will be used towards financing the Site Specific Risk Information project (para 2.20). The Programme has been amended to reflect this position.

Community Safety (+ £20,000)

- 2.12 Due to a change in the Home Safety Check targeting strategy in April 2019, there has been an increase in smoke alarm installations across all districts. This increase is expected to continue over the three years of the agreed strategy and it is anticipated that the project will overspend by £20,000 in the current year. The Programme has been amended for 2019/2020, 2020/2021 and 2021/2022.

Control/Mobilising Project (+ £636,705 reprofiled)

- 2.13 The national government led Emergency Services Mobile Communications Project (ESMCP) was delayed last financial year, pending a revised business case which was due early 2019/2020. This is still yet to be received and is now expected in March 2020. Until this time, the project has been re-profiled over the next two years with the current information available and the Programme has been updated accordingly. However, the timing of progress and expenditure on the project still remains uncertain until the business case is received. As the project is fully funded from specific grant, this can be slipped as required.

TSC – Non Vehicle Replacement Programme Items (+ £2,570)

- 2.14 The cost to replace the breathing apparatus cylinder valves was based on a 70% failure rate. On testing, this has been far less than expected and an underspend is projected at the end of the financial year. The detail of this will be reported once the project is complete.
- 2.15 The balance remaining on the Appliance Closed Circuit Television was withheld at the end of 2018/2019 due to some outstanding issues which have now been resolved and full payment made. A further vehicle has required the equipment fitted costing an additional £2,570. The Programme has been amended to reflect this.

Additional Projects (+ £295,375)

- 2.16 A condition survey has recommended that the derv tank at South Shields and four delivery pumps – one each at Birtley, Gosforth, Wallsend and South Shields are replaced. Failure to do so may impact on resilience in terms of the fleet being unable to respond to incidents due to the unavailability/shortage of fuels. The total cost is expected to be £31,000 and can be funded from the

underspend on the heating and ventilation project at West Denton reported at paragraph 2.6.

- 2.17 The existing door entry security system (Genous System) was initially installed over 20 years ago. The system is no longer supported and can be prone to malfunctions and failure. Replacement is estimated to cost £350,000, £100,000 in 2019/2020 and £250,000 in 2020/2021.
- 2.18 The Security Working Group has reported a number of areas across the estate that require enhancement. The works include remodelling SHQ front reception, automated entrance gates and fencing at West Denton, Gosforth, Birtley, Chopwell and the Technical Service Centre, as well as a number of service wide security improvements. The estimated total cost is £100,000 in 2019/2020 and £242,000 in 2020/2021.
- 2.19 To ensure the service is equipped with modern, reliable and resilient Breathing Apparatus compressors, a rolling replacement programme is required. The current units have been assessed and it is estimated that the programme will cost £41,000 over the next five years. £12,000 will be required in 2019/2020 and will be funded from capital reserves.
- 2.20 The inspection by HMICFRS identified the Site Specific Risk Information (SSRI) records as an Area for Improvement (AFI). To improve the accuracy and quality of the information held by the Service, an add-on to the current system is required which will cost £19,475. This is deemed essential and will be partly funded from the underspend on the Body Worn Cameras reported at paragraph 2.11 and the remainder from capital reserves.
- 2.21 To improve the detection of harmful contaminants from products of combustion, gas detectors are required that will monitor for Hydrogen Cyanide and Carbon Monoxide. Currently gas detection at incidents is limited to special appliances. It will become the minimum standard for all frontline appliances to be able to monitor potential exposure to these harmful gases. The cost of this will be £21,000 and will be met from underspends expected on the Operational Equipment Replacement Programme.
- 2.22 To aid resilience and support availability of operational vehicles, intelligent charges are required in nominated parking bays throughout the Service to house Reserve appliances. This is estimated to cost £11,900 and will be funded from capital reserves.
- 2.23 The Programme and funding have been amended to reflect the items reported in paragraphs 2.16 to 2.22.

3. VEHICLE REPLACEMENT PROGRAMME (-£1,670,000 REPROFILED)

- 3.1 A review group has been set up to consider options for replacement of the fireboat. It has been decided to buy out the lease on the current boat and Sunderland City Council has negotiated a buy-out cost of £15,000 with the lease company. Owning the boat will give the service the flexibility to carry out the works needed to ensure it can continue to meet the requirements of the

Service. Funds spent on repairs to the boat will be recouped on disposal at the end of its useful life. This will give the Service a number of years to consider their long term requirements. The Capital Programme will be amended and reprofiled as required.

- 3.2 Work is currently ongoing to review the current small fleet and consider options for replacement. In the meantime, two large cars and two vans that have been deemed essential have been purchased. Further details on the remaining programme will be reported once decisions on the review are finalised.
- 3.3 Replacement of the Fire Appliances is on target to have four delivered by the end of 2019/2020. As the project was delayed last year, £1,080,000 was slipped from 2018/2019. The project has been re-profiled to move the allocation of £1,670,000 in the original 2019/2020 Programme in to future years to coincide with the revised timescale set for replacement of all the appliances.

4. CAPITAL PROGRAMME FUNDING

- 4.1 The Capital Programme was set in February with a general Revenue Contribution to Capital Outlay (RCCO) of £750,000. During the Revenue Budget Review reported to Members later on the Agenda, this was reduced to £250,000.
- 4.2 The remainder of the funding for the Capital Programme has been adjusted to reflect the changes to the programme outlined in section 2 of the report with the results shown in the table at paragraph 2.1 and in Appendix A.

5. PRUDENTIAL INDICATORS

- 5.1 The Prudential Indicators for the financial year 2019/2020 were approved by the Authority on 18th February 2019. 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; and
 - The capital expenditure control framework operated locally is consistent with, and supportive of, local strategic planning, local asset management planning, and proper option appraisal.
- 5.2 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 Strategic Finance Manager. 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 further review of the indicators will be reported at the Capital Programme Third Quarterly Review stage.

6. RISK MANAGEMENT

- 6.1 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control, the realisation of efficiencies, the most appropriate use of limited resources and a comprehensive evaluation of the benefits. The risk to the authority has been assessed as low utilising the standard risk matrix based on control measures being in place.

7. FINANCIAL IMPLICATIONS

- 7.1 The financial implications are set out in the report.

8. EQUALITY AND FAIRNESS IMPLICATIONS

- 8.1 There are no equality and fairness implications in respect of this report.

9. HEALTH AND SAFETY IMPLICATIONS

- 9.1 There are no health and safety implications in respect of this report.

10. RECOMMENDATIONS

- 10.1 Members are requested to note the reported variations since the First Quarterly Review, the addition of the new projects, and approve the revised Capital Programme for 2019/2020, as set out at Appendix A.