

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

ITEM 5

MEETING: 17TH JANUARY 2022

SUBJECT: CAPITAL PROGRAMME 2021/2022 - THIRD QUARTERLY REVIEW

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

1. Introduction

- 1.1 The original Capital Programme for 2021/2022 was approved by the Authority on 15th February 2021.
- 1.2 The purpose of this report is to review the current year's Programme and consider any changes necessary to those that were presented to the Authority in the Second Capital Programme Review on 15th November 2021.
- 1.3 Progress on some projects within the Programme as reported previously has been delayed by external factors including the ongoing impacts of the COVID-19 pandemic, BREXIT and issues with the supply of labour, plant and materials being experienced by some areas of the Authority's activities. Where this is the case for the changes required to the Programme, it is indicated appropriately.

2. Capital Programme 2021/2022 – Third Review

- 2.1 The position for 2021/2022 is set out at Appendix A, and is summarised below:

		Second Review	Third Review
		Revised Estimate (November)	Revised Estimate (January)
		£	£
Expenditure	- Projects c/fwd from 2020/2021	850,000	850,000
	- Continuing Projects 2020/2021	11,784,078	11,781,376
	- Projects Commencing 2021/2022	737,430	728,000
	- Vehicle Replacement Programme	4,476,651	4,141,651
		17,848,159	17,501,027
Resources	- Section 31 Grant (ESN)	1,808,616	1,808,616
	- Capital Reserve	14,350,618	14,006,188
	- Revenue Contribution to Capital	442,858	442,858
	- One-off RCCO	850,000	850,000
	- New Dimensions Reserve	196,000	196,000
	- Government Grant	27,067	24,365
		17,848,159	17,501,027

- 2.2 The Capital Programme is showing a net decrease in total of £347,132, from £17,848,159 at the Second Review stage to £17,501,027, the current position.

Creating the Safest Community

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

Continuing Projects

Estates (-£1,034)

- 2.4 As reported at second review, there continue to be delays with the Stock Condition Survey Works due to availability of contractors and materials. It is anticipated that the budget will not be fully spent by the end of the financial year. Progress will be monitored and any slippage required will be reported to Members at outturn so that the outstanding works will be progressed in 2022/23.
- 2.5 The Outdoor Wellness Areas are now complete with a small underspend of £1,034 and the Capital Programme has been amended accordingly.
- 2.6 There have been a number of technical issues with the Genous Security System but progress is now being made and the project is currently out to tender. It is expected that an order will be placed by the end of the financial year but it is probable that there will be some slippage in to 2022/2023. The detail will be reported to Members at outturn.
- 2.7 The transformation of the former MRU suite into the CCTV centre for Sunderland City Council (SCC) is almost complete but is subject to re-measurement due to extra requests from the client which may result in additional spend on the project. As this project is fully funded from a contribution by SCC, this will have a no adverse effect on the Capital Programme.
- 2.8 It is pleasing to report that the full planning application for the Hebburn Tri station has now been finalised and was submitted to South Tyneside MBC on 30th November 2021. This is a key milestone in progressing the new Hebburn Tri Station development. A further update will be provided to Members at out-turn.

ICT (+£20,000)

- 2.9 An additional £20,000 is required for the Fireground Radios project. Prices have increased by £16,000 since the original estimates due to changing market conditions and additional radios are required to ensure all officers at an incident have access to this facility. The Programme has been amended to reflect the increased budget.

TSC – Non Vehicle Replacement (-£29,430)

- 2.10 It was reported at second review that additional training at the Technical Services Centre (TSC) in the efficient and effective use of the cobra equipment was being completed by the technicians. It is now apparent that this will be effective in extending the life of the current hose for a further four years. The Programme has been amended to remove the budget until replacement of the cobra hose is required effectively saving £29,430 in the year by prolonging the life of the equipment.

Resilience (-£1,668)

- 2.11 Purchase of the new drone is now complete with a small underspend of £1,668 being reflected in the Capital Programme.

Control/Mobilising Project

- 2.12 The national Government led Emergency Services Mobile Communications Project (ESMCP) has experienced a number of significant delays. The timing of progress and expenditure continues to be uncertain pending the revised business case. As reported at second review, an independent review has shown that it is correct to move to the ESN Network but the scheme has encountered numerous delays since its inception by government. As the project is fully funded from specific grant, the project and funding will be slipped as required although this primarily, as members are aware, is out of the control of the Authority.

3. Vehicle Replacement Programme (-£335,000)

- 3.1 Work is still ongoing to re-assess the current small fleet and consider options for replacements where appropriate. The effects of the COVID-19 pandemic, changes to the ways of working, and potential sponsorships have impacted and delayed this review. Pending its completion, the small fleet replacement budget has remained as agreed by Members in February but may need to be reviewed in light of the planned review.
- 3.2 The Specialist Vehicles due to be purchased in 2021/2022 are pending the outcome of the Specials Review. This is almost complete but, irrespective of the recommendations, the lead time of delivery of these specialist vehicles means that no purchases will be completed by the end of this financial year. The total budget of £335,000 will therefore need to be slipped in to 2022/2023 and will be reconsidered once the review is complete.

4. Capital Programme Funding

- 4.1 The funding for the Capital Programme has been adjusted to reflect the changes to the Programme outlined in sections 2 and 3 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 2021/2022 were approved by the Authority on 15th February 2021. 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 Finance Director. At this stage the Authority is operating well 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. Recommendation

10.1 Members are requested to:

- Note the reported variations since the Second Quarterly Review and approve the requested slippage into 2022/2023; and
- Approve the revised Capital Programme for 2021/2022, as set out at Appendix A.

