

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item 9

MEETING: 13th JUNE 2016

**CAPITAL PROGRAMME OUTTURN 2015/2016 AND CAPITAL PROGRAMME
FIRST REVIEW 2016/2017**

JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER

1. INTRODUCTION

- 1.1 The original Capital Programme for 2016/2017 was approved at the Authority meeting on 15th February 2016.
- 1.2 The purpose of this report is to present the provisional capital outturn for 2015/2016, highlighting the main variances from the 2015/2016 Capital Programme Third Review; and to review the current year's programme to reflect the 2015/2016 outturn position and other changes since the original programme for 2016/2017 was approved.

2. PROVISIONAL OUTTURN 2015/2016

- 2.1 The provisional outturn position on expenditure and resources for 2015/2016 is summarised below:

	Third Review (January) £	Outturn £
Expenditure - Continuing Projects 2014/2015	4,452,358	3,868,241
- Projects Commencing 2015/2016	2,204,350	2,018,069
- Vehicle Replacement Programme	264,342	261,082
	6,921,050	6,147,392
Resources - Fire Capital Grant	3,393,910	2,836,033
- Day Crew Capital Grant	326,829	326,829
- Transformation Grant	846,800	693,358
- Development Reserve	1,951,997	1,774,314
- Carbon Management Plan Reserve	132,636	22,838
- Community Safety Reserve	0	297,427
- Revenue Budget C/fwd	239,878	167,593
- North Tyneside Reward Grant	29,000	29,000
	6,921,050	6,147,392

2.2 The Capital Programme outturn for 2015/2016 reflects a reduction in spending of £773,658 from £6,921,050 (as reported to Members in January 2016) to £6,147,392 and has arisen due to the following variations:

2.2.1 A net underspend of £85,052 from a number of schemes completed during 2015/2016. The main savings are listed below for information:

- £39,120 on the purchase of smoke detectors due to a Government led initiative providing free smoke detectors to private landlords;
- £24,221 on replacement of the appliance bay doors at Hebburn and Birtley Stations due to the contract being less than expected;
- £13,701 on the operational equipment and rope and rescue confined space equipment replacement programmes due to savings made with suppliers;
- £8,280 on purchase of the vehicle tracking system.

2.2.2 A saving of £3,260 on the Vehicle Replacement Programme due to lease buyouts of the Flatbed and Fireboat Transporter being funded from the leasing revenue budget.

2.2.3 Additional capital spend of £297,427 for fire sprinklers purchased from the Community Safety Reserve.

2.2.4 Further slippage of £982,773 into 2016/2017 on a number of projects. The main reasons are itemised below for information:

IT Equipment – £70,278

- New Software and Supporting Systems HR/MIS (£60,285) – it was reported at Third Review that the legacy HR/MIS system would be replaced and the project commenced in January 2016. Additional slippage to that reported at Third Review will be carried forward to continue the replacement project, due to be completed by July 2017.
- New and Replacement Hardware Miquet (£9,993) – the asset management system will not be fully delivered until April due to problems with the supplier.

Carbon Management Plan - £109,870

- PV Cells Project (£45,000) – this is a partnership arrangement with Northumberland Fire and Rescue Service, with NFRS managing the contract. Delays are being experienced and the works will not be delivered at NEFRA Tynemouth Station until 2016/2017.
- Vehicle Charging Points (£64,870) – the procurement process has been delayed due to supplier issues and the units will not be delivered until April.

Estates - £116,638

- Barmston Mere Training Centre (BTC) Condition Survey Works (£238) – this is a continuing project and the small underspend in this phase will be carried forward to continue the works in 2016/2017.
- West Denton Car Park Reconfiguration (£116,400) - this project was a late addition to the Capital Programme, agreed at Third Review. Planning permission is currently being sought and the project will continue in to 2016/2017.

Estates Development Works - £177,683

- The works at Marley Park are complete, but the final payment is under negotiation with the contractor and will not be made before the end of the financial year. The remaining balance will therefore slip into 2016/2017 until the final payment is agreed.

Operational Equipment - £154,372

- Foam and Firefighting Equipment (£95,000) – the existing stock of foam was tested in 2015/2016 and did not need to be replaced. However it will be retested in 2016/2017, at which point it is expected that it will need to be replaced.
- Targeted Response Vehicles (£18,053) – a decision will be made in June on what modifications are required to the final Targeted Response Vehicle.
- Cold Cutting Extinguishing System (£41,319) – this is a phased installation and the remaining works of phase 1 will be completed in 2016/2017.

Control / Mobilising System - £189,990

- Discussions are currently ongoing with the contractors to agree and finalise the contract. Once negotiations have been made, the final milestone payment will be made. As the final payment cannot be confirmed at this stage, the balance remaining on the project will slip in to 2016/2017.

Technical Service Centre Non Vehicle Replacement Programme - £10,500

- Replace BA Compressors (£10,500) – Information gathering has delayed the project. This will be slipped in to 2016/2017 to tender for two compressors.

Police Integration Project - £153,442

- The transformation grant remaining will be slipped in to 2016/2017 to continue works on the project.

2.3 The projects that have slipped were to be financed from earmarked reserves, transformation grant and fire capital grant. This funding will therefore be utilised in 2016/2017.

3. CAPITAL PROGRAMME FIRST REVIEW - 2016/2017

- 3.1 The detailed Capital Programme for 2016/2017 is set out at Appendix A, and summarised below:

	Original Estimate (February) £	Revised Estimate (June) £
Expenditure - Continuing Projects 2015/2016	1,445,805	2,428,578
- Vehicle Replacement Programme	871,290	871,290
	2,317,095	3,299,868
Resources - Fire Capital Grant	1,934,054	2,488,131
- Transformation Grant	0	153,442
- Development Reserve	0	177,683
- Carbon Management Plan Reserve	0	109,870
- Revenue Budget c/fwd	52,052	72,285
- Capital Reserve	330,989	298,457
	2,317,095	3,299,868

- 3.2 The Capital Programme has been increased by the slippage of £982,773 from £2,317,095 (as approved by Members in February 2016) to £3,299,868. There are no variations to report at this early stage in this financial year, but the programme continues to be effectively managed and monitored and any variations will be reported to members regularly throughout the year.

4. PRUDENTIAL INDICATORS

- 4.1 The prudential indicators, set during the budget process, are also continually monitored in the light of the provisional capital outturn and there are no issues to report. Any amendments to these indicators will be reported upon at the Second Review stage along with compliance with the relevant prudential indicators determined for 2016/2017.

5. RECOMMENDATIONS

- 5.1 Members are requested to:
- Note the projected outturn position for 2015/2016;
 - Approve the transfer of the anticipated slippage (£982,773) into 2016/2017;
 - Approve the revised Capital Programme for 2016/2017, as set out at Appendix A, in light of the capital outturn position for 2015/2016.