

Capital Programme 2014/15 to 2018/19

Report of the Treasurer

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1 Purpose of Report

This report sets out the current schemes put forward for inclusion in the next five years' budgets. It then sets out the potential revenue consequences, subject to public value consideration, including project appraisals, and a review of financing possibilities.

2 Recommendations

The Committee is recommended to propose to the Fire Authority, for inclusion in its planning period:

- a) The schemes set out in the appendix to this report;
- b) The potential funding of these schemes; and
- c) The revenue consequences that would flow from these schemes.

3 Background

The Authority has already agreed capital programmes for 2013/14 and earlier years. It has also agreed how these schemes are funded and the revenue consequences for future years.

This report deals with the options available for new schemes, starting next year.

4 The Capital Programme from 2014/15

The schemes currently under consideration are set out in the appendix to this report, and can be summarised as follows:

Year of Start	Total Project Cost of Starts £ 000	Revenue Consequences				
		2014/15 £ 000	2015/16 £ 000	2016/17 £ 000	2017/18 £ 000	2018/19 £000
2014/15	25	5	5	5	5	5
2015/16	910		10	10	10	10
2016/17	25			5	5	5
2017/18	25				5	5
2018/19	25					5
	1,010	5	15	20	25	30
Annual Addition		5	10	5	5	5

It should be noted that revenue consequences are limited to financing costs – any other costs need to be flagged up as part of the project appraisals. Also, the Authority is presently only committing itself to schemes that start in 2014/15. The majority of schemes are currently shown as being spent in the start year. However, experience shows that payments often slip into later years, thereby slowing the build-up of costs and resulting in revenue underspendings.

At its meeting in April 2012, the Fire Authority agreed that reserves and balances would be used to fund those capital schemes, which were to be funded originally from borrowing. This decision has resulted in substantial savings over the next five years, and means that no borrowing from Public Works Loan Board is required.

Where schemes are to be funded from the Earmarked Capital Reserve, repayments are made back into the reserve to ensure that funds are available for future replacements.

Appraisals for each scheme will confirm their service value, the capital cost, phasing of expenditure and revenue consequences. There is, therefore, scope for these figures to change, especially if there are any associated revenue consequences, such as running costs of property or systems.

5 Prudential Guidelines

In addition to the merits of the individual schemes within the final capital programme presented in January, the Authority will need to evaluate the programme in the light of Prudential and Treasury Management Guidelines. Compliance with these indicators will demonstrate the affordability, sustainability and prudence of the proposed programme of schemes.

In July 2012, Fire Authorities were invited to submit capital bids to the Department of Communities and Local Government (DCLG). Officers submitted a bid for £350,000, made up of £150,000 for road traffic collision equipment for appliances and support vehicles, and £200,000 for support vehicles. The bid was successful, with funds being paid by DCLG during 2013/14 and 2014/15.

In addition to the successful bid, the Fire Authority received an unallocated grant of £755,000 for 2014/15, with the same amount payable in 2015/16.

6 Future Capital Schemes

The forward capital programme is being thoroughly reviewed by officers and any future requests for schemes will be considered as part of the ongoing strategic planning process. Projects for consideration will be tested to ensure that, as far as possible, they are both realistically costed and resourced; will start when scheduled; and that, where possible, they have long-term revenue saving potential.

7 Financial Implications

The financial implications are as outlined in the report.

8 Legal Comment

There are no direct legal implications arising from this report.

9 Initial Impact Assessment

An Initial Impact Assessment has been completed for this report.

10 Appendix

Capital Programme 2014/15 to 2018/19

11 Background Papers

There are no background papers associated with this report.

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Scheme		Total	2014/15	2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000	£000	£000
2014/15							
Thermal Imaging Cameras Replacement (new)	Fund	25	5	5	5	5	5
		25					
2015/16							
Replace batteries for tactical radios	Fund	25		5	5	5	5
Implement replacement of mobile data terminals	Revenue	150		-	-	-	-
Replace Sabre Appliances	Revenue	710		-	-	-	-
Thermal Imaging Cameras Replacement (new)	Fund	25		5	5	5	5
		910					
2016/17							
Thermal Imaging Cameras Replacement (new)	Fund	25			5	5	5
		25					
2017/18							
Thermal Imaging Cameras Replacement (new)	Fund	25				5	5
		25					
2018/19							
Thermal Imaging Cameras Replacement (new)	Fund	25					5
		25					