

Capital Programme 2013/14 to 2017/18

Report of the Treasurer

For further information about this report please contact Rachel Musson, Treasurer, on 01743 252007, or Joanne Coadey, Head of Finance, on 01743 260215.

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 to a review of financing possibilities.

2 Recommendations

The Committee is recommended to propose to the Fire Authority, for inclusion in its five-year budget planning:

- 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 2012/13 and earlier years. It has also agreed how these schemes are funded and the revenue consequences for future years. These figures are reviewed and included in earlier reports as commitments.

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

4 The Capital Programme from 2013/14

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				
		2013/14 £ 000	2014/15 £ 000	2015/16 £ 000	2016/17 £ 000	2017/18 £000
2013/14	725	12	12	12	12	12
2014/15	1,085		26	26	26	26
2015/16	710			10	10	10
2016/17	25				5	5
2017/18	25					5
		12	38	48	53	58
Annual Addition		12	26	10	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 2013/14. The majority of schemes are currently shown as being spent in the year of the start. 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.

The Fire Authority received a capital grant of £915,000 in 2012/13, which was distributed by Government to provide support for local government capital expenditure. Grants in 2012/13 were distributed to fire authorities using a standard basic amount, and the remainder based on population. For 2013/14, fire authorities were invited to submit bids for capital schemes, which demonstrated efficiency and value for money, and the outcome of this bidding process will be known by the end of December.

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 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

10 Appendix

Capital Programme 2013/14 to 2017/18

11 Background Papers

There are no background papers associated with this report.

Capital Programme 2013/14 to 2017/18

Scheme		Total	2013/14	2014/15	2015/16	2016/17	2017/18
		£000	£000	£000	£000	£000	£000
2013/14							
Provisional sum to replace light vehicles	Fund	50	7	7	7	7	7
Replacement of Prime Movers (2) moved into 13/14 from 14/15 in line with LPU	Revenue	150			-	-	-
Command and control pods and vehicle	Revenue	50		-	-	-	-
Light pumping unit	Revenue	350		-	-	-	-
Capital training improvements	Revenue	100		-	-	-	-
Thermal Imaging Cameras Replacement (new)	Fund	25	5	5	5	5	5
		725					
2014/15							
Replace Ford Rangers (5) and Land Rovers (2) including pods	Fund	250		21	21	21	21
Implement replacement of mobile data terminals	Revenue	150		-	-	-	-
Replace Sabre Appliances(3) split from total scheme into 15/16	Revenue	660		-	-	-	-
Thermal Imaging Cameras Replacement (new)	Fund	25		5	5	5	5
		1,085					
2015/16							
Replace Sabre Appliances(3) half of these have been moved to 14/15	Revenue	660			-	-	-
Thermal Imaging Cameras Replacement (new)	Fund	25			5	5	5
Replace batteries for tactical radios	Revenue	25			5	5	5
		710					
2016/17							
Thermal Imaging Cameras Replacement (new)	Fund	25				5	5
		25					
2017/18							
Thermal Imaging Cameras Replacement (new)	Fund	25					5
		25					