



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/12/16
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY (Ordinary Meeting)
DATE OF MEETING	30 MAY 2012
SUBJECT OF REPORT	CAPITAL BIDDING PROCESS – LIGHT RESCUE PUMP PROJECT
LEAD OFFICER	Chief Fire Officer
RECOMMENDATIONS	<p>(a) <i>that details of the Capital Bidding Process 2013/14 and 2014/15 be noted and the Authority approve in principle the submission of a bid for funding in 2013/14 linked to the Light Rescue Pump (LRP) project;</i></p> <p>(b) <i>that approval and submission of the final bid, by the deadline of 2 July 2012, be delegated to the Chief Fire Officer following consultation with the Capital Programme Working Party;</i></p> <p>(c) <i>that, to facilitate (b) above, a meeting of the Capital Programme Working Party be held in the week commencing Monday 25 June 2012 (suggested date: Monday 25 June 2012 following preceding meetings of Human Resources Management and Development Committee and Members Forum).</i></p>
EXECUTIVE SUMMARY	This report details the government's process for capital funding for the 2013/14 and 2014/15 financial years and sets out a proposal for bidding against the efficiency fund element of this to resource progression of the Service's Light Rescue Pumps project.
RESOURCE IMPLICATIONS	None associated with this report. Full resource implications will be contained within any bid submitted to the Department for Communities and Local Government (CLG).
EQUALITY AND RISK BENEFIT ASSESSMENT (ERBA)	Not applicable to this report

APPENDICES	Nil.
LIST OF BACKGROUND PAPERS	Department for Communities and Local Government Guidance to Fire and Rescue Authorities bidding for capital funding 2013 to 2015

1. INTRODUCTION

- 1.1 At the Local Government Association Fire Conference in March 2012 the Fire Minister announced the bidding process for Fire Capital Grant funding for all Fire and Rescue Authorities for 2013-15. The bidding process is designed to incentivise and reward efficiencies.
- 1.2 A total national grant fund of £70m per year in 2013/14 and 2014/15 will be made available to individual fire and rescue authorities through a combination of;
- An efficiency fund, administered as capital grant via a bidding process, and
 - A pro rata distribution.
- 1.3 The split between the distribution methods and the amount to be allocated by competitive bidding will be dependent on the quality of the bids, with the flexibility to vary across the years.
- 1.4 For the current financial year (2012/13), the Service has received £2.021m capital funding directly from the government. This was, however, under the previous, formula-based allocation only method. As indicated, the new funding process for 2013/14 onwards features two elements – a pro-rata distribution and a bidding process against an efficiency fund. It could be, therefore, that failure to submit a bid will result in a reduction in central government capital funding received by the Authority in future years.
- 1.5 Bids against the efficiency fund in 2013/14 must be received by the Department for Communities and Local Government (CLG) by 2 July 2012.

2. PREPARATION OF BID DOCUMENT

- 2.1 Since the announcement was made and bidding guidance received from CLG, officers have been working on an 'Invest to Save' bid directly linked to the Light Rescue Pump (LRP) project. This project fits with the principle of the bidding process in that it will "deliver efficiency saving outcomes whilst providing a clear demonstration of value for money".
- 2.2 The LRP project will involve the replacement of 70 Medium Rescue Pumps (MRPs) with LRPs over a five year period. This will require considerable capital investment but, if the bid against the efficiency fund is successful, the Service will be in a position to start to address the backlog in its Fleet Replacement Strategy in April 2013.
- 2.3 The outline business case for the LRP project has been approved by the Service Programme Board and the full business case is currently being finalised before going out for a full tender process compliant with – because of the quantum involved – European Union procurement legislation.
- 2.4 The detail to be contained in the full business case will be incorporated into the Capital Funding bid. This level of detail will not, however, be completed until mid-June at the earliest.

- 2.5 The CLG guidance on the bidding process contains the following requirement:
“The Department will require confirmation that the bids have been approved by locally established governance structures/committee of the respective fire and rescue authority.”
- 2.6 Clarification has been sought from CLG as to the precise meaning of this requirement. For this Authority, given the timescales involved, it is proposed that approval of the bid be delegated to the Chief Fire Officer following consultation with the Capital Programme Working Party. This would then be reported, for information purposes, through to the next full meeting of the Authority (scheduled in the draft Calendar of Meetings for 30 July 2012). CLG has confirmed that this would satisfy with its approvals requirement.
- 3. CONCLUSION**
- 3.1 As indicated, a successful bid against the efficiency fund for 2013/14 would enable the Service to substantially progress its LRP project which in turn would go a considerable way to addressing the existing backlog in the Fleet Replacement Strategy.
- 3.2 Consequently, at this stage the Authority is invited to support in principle the submission of a bid linked to the LRP project and to delegate authority myself to approve the bid, following consultation with the Capital Programme Working Party, and to submit it to CLG by the deadline of 2 July 2012. Details of the bid so submitted will be reported for information to the next appropriate meeting of the Authority.

LEE HOWELL
Chief Fire Officer