



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	RC/09/5
MEETING	RESOURCES COMMITTEE
DATE OF MEETING	14 SEPTEMBER 2009
SUBJECT OF REPORT	CAPITAL PROGRAMME MONITORING 2009/10 to 2011/12
LEAD OFFICER	Head of Physical Assets
RECOMMENDATIONS	<p><i>(a) That the revised capital programme in Appendix B be approved.</i></p> <p><i>(b) That, subject to (a) above, the report be noted.</i></p>
EXECUTIVE SUMMARY	This report represents the current monitoring position for the capital programme 2009/10 to 2011/12 as approved by the Authority at its meeting on 16 February 2009.
RESOURCE IMPLICATIONS	Financial details are contained within the report.
EQUALITY IMPACT ASSESSMENT	There is no specific impact in the report, although many of the asset schemes involve improvements to equality of service provision.
APPENDICES	<p>A. Capital Programme 2009/10 to 2011/12 approved 16 February 2009.</p> <p>B. Revised Capital Programme 2009/10 to 2011/12.</p>
LIST OF BACKGROUND PAPERS	

1. **INTRODUCTION**

- 1.1 This report represents a monitoring position against the capital programme 2009/10 to 2011/12 approved by the Devon and Somerset Fire and Rescue Authority (DSFRA) at its meeting on 16 February 2009. The approved capital programme is reproduced in Appendix A. Revisions to the capital programme to take account of 2008/09 actual outturn and current status, are included in Appendix B. The impact of the revised capital programme as it affects the prudential indicators is included elsewhere on the agenda.

2. **BACKGROUND**

- 2.1 At its meeting on 16 February 2009 DSFRA approved the capital programme for 2009/10 to 2011/12. This was approved against a background of spending pressures on the capital programme resulting from the combination of a large property and fleet portfolio.
- 2.2 Due to overall budgetary pressures facing the authority, it was recognised that any new capital building projects would need to be put in abeyance until such time that they would become affordable in terms of revenue debt charges arising from additional borrowing. A debt free capital government grant of £2m over two years, however, does enable the programme of welfare and facilities improvements to stations to be progressed. Due to the significant and increasing backlog of appliance replacement, it was decided to fund an additional £6m over three years to partially address this backlog. The previously approved annual programmes supporting 'building ring fenced maintenance' and 'equipment replacement' were maintained.

3. **CURRENT POSITION**

Estate Development

Exeter Middlemoor

- 3.1 The new station is due to be live from 9 September for the designated operational staff relocating from Danes Castle. The support staff are scheduled to move from Pynes Hill on 21 September.

Exeter Danes Castle

- 3.2 The new appliance bay has been taken possession of in order that the temporary facility may be removed and external works carried out. The operational staff are due to move from their temporary facility into the new building on 14 September. This will enable the remainder of the temporary station to be removed and external works completed by November. The support staff are scheduled to move from Pynes Hill on 21 September.

Ring Fenced Maintenance / Grant Assisted Projects

- 3.3 The list of proposed works across both these budgets was presented to the Authority on 16 February 2009. The table below shows progress against these improvement works.

Scheme	Detail	Current status	£
Taunton	Phase 2 of internal refurbishment	Contractor on site 3 Aug. Due for completion Dec 09.	150,000
Yeovil	Phase 2 of internal refurbishment	Estimated to be on site on 7 Sept for completion Nov 09.	100,000
New drill towers	Select from: Teignmouth, Exmouth, Dulverton, Totnes, Shepton Mallet or Crownhill	Awaiting operational assessment and decision as to how to progress.	60,000
Station extensions	Ivybridge	Estimated to be on site end of Sept for completion Feb 2010.	160,000
	Dawlish	Estimated to be on site Oct for completion Feb 2010.	160,000
	Street	Estimated to be on site Nov for completion March 2010.	160,000
	Bovey Tracey	Estimated to be on site end of Sept for completion Feb 2010.	160,000
DDA, DAW, BA, Drying Room, Community access works	Honiton	Completed.	60,000
	Lynton	Estimated to be on site Oct for completion Feb 2010.	100,000
	Martock	Completed.	30,000
	Chumleigh plus new roof	Planning approval awaited. Due for completion March 2010.	60,000
	Sidmouth	Planning approval awaited. Due for completion March 2010.	120,000
	STC Phase 2	Completed.	65,000
Torquay	Phase 2 of training structure	Currently on site. Due for completion Oct 09.	175,000
New boiler	Crownhill, Camels Head or Torquay	TBA	45,000
TOTAL			1,605,000

2008/09 Slippage

- 3.4 Due to residual additional work resulting from combination, late approvals and delays in external factors beyond our control, there was rather more slippage than normal from 2008/09. It is the firm intention to complete these works within the current financial year. Overall project costs have not increased, but the consequential debt charges will occur later than originally forecast, which gives rise to some savings in the current year's revenue budget. Although it is difficult to complete all capital schemes in line with financial year end, it is considered at this stage that slippage from 2009/10 to 2010/11 should be significantly less than in the previous two years, but overall project costs will not increase in any event.
- 3.5 The following projects were subject to slippage from 2008/09, but are now either completed or in hand.
- Shepton Mallet extension
 - Bridgwater internal refurbishment
 - Crownhill internal refurbishment

- STC internal works
- Williton internal works
- Yeovil internal refurbishment
- SHQ infrastructure works

HSE investigation

- 3.6 Following the HSE report concerning lack of shower and other facilities on some retained stations, the Authority, at its meeting of 27 May 2009, approved a transfer of £300,000 from the 2008/09 underspend to facilitate full availability of showers and acceleration of the improvement programme for welfare and standard facilities on stations. In addition to the shower installations, Hatherleigh's full extension refurbishment has been brought forward. All these works are scheduled for completion in the current financial year.

Fleet and Equipment

Replacement Appliances

- 3.7 Of the nine pumping appliances procured from the 2007/08 approved capital programme, five have been delivered and the remaining four are imminent. Five aerial appliances have also been procured from this programme and these are due for delivery commencing at the end of this year.
- 3.8 Three appliances have been ordered from the 2009/10 approved programme and these are due for delivery late this year.
- 3.9 Preparations are in progress to order two targeted response vehicles and a further batch of pumping appliances as part of the approved programme and taking account of more favourable market conditions.

Specialist Operational Vehicles

- 3.10 Due to their bespoke nature, there have been a range of difficulties and delays associated with specialist vehicles from previously approved capital programmes as follows:
- Special Rescue appliance(s) – No offers were received from the market when these were tendered and a new procurement has now begun.
 - Tele-hoist load handler – Diverse quotations have been received, but formal tendering is required to complete the procurement.
 - Community Safety information / education Unit – The specification is now with Firebuy for tendering, following adjustments for disabled access to the vehicle. Due to framework timescales, a shorter procurement route is being investigated.
 - Fire-ground feeding Unit - This project is currently on hold as the Service Delivery function is reviewing its requirements and options.

Equipment

- 3.11 This programme is intended for the ongoing replacement of vital operational equipment in order to maintain currency, legislative and health and safety obligations. Due to harmonisation issues following combination, there were delays in prioritising needs in this area and slippage from 2007/08 amounted to £400,000. Equipment purchased during 2008/09 cut the slippage carried forward to 2009/10 to £250,000. At this stage it is anticipated that the full 2009/10 programme, including slippage, will be commissioned by the end of the financial year.

2008/09 Slippage

- 3.12 As indicated above, slippage has occurred in the delivery of pumping appliances and equipment procurement. Overall project costs have not increased, but the consequential debt charges will occur later than originally forecast, which gives rise to some savings in the current year's revenue budget. Although it is difficult to complete all capital schemes in line with financial year end, it is considered at this stage that slippage from 2009/10 to 2010/11 should be significantly less than in the previous two years, but overall project costs will not increase in any event.
- 3.13 The asset tracking system, MIQUEST, has been slower to implement than planned, but is now firmly under way with two marking technicians specifically employed in temporary roles. The reading hardware is being carefully considered to be accommodated within the budget allocation available, but this will not allow for full capability hardware across all DSFRS stations and compromises will have to be made.

4. PROGRAMME REVISION AND IMPACT ON CAPITAL FINANCING COSTS

- 4.1 Following from the publication of the 2008/09 financial outturn position in the DSFRA report approved on 25 June 2009, the capital programme has been revised to take account of actual capital spend for 2008/09 rather than the previously estimated spend. This particularly affects slippage carried forward and some smaller capital projects wholly supported by grant and revenue funds previously agreed by the Authority. The revised programme is illustrated in Appendix B.
- 4.2 **It should be noted that none of these revisions have any affect on the individual scheme budgets, which remain as originally approved.** The table in Appendix B therefore merely represents a re-scheduling of the schemes originally approved in the Appendix A table and not an increase in the programme.

Impact on Capital Financing Costs

- 4.3 As debt charges are dependent on the time that borrowing is incurred, there are some changes in this respect. With more slippage from 2008/09 than anticipated, the debt charges incurred in 2009/10, following from the previous year's borrowing, will be less than previously estimated. The impact on the 2009/10 revenue programme is included in the revenue budget monitoring report, elsewhere on the agenda.
- 4.4 As scheme totals remain unchanged and borrowing is less this year, the programme remains comfortably contained within the approved prudential indicators, which have been set by the Authority to provide assurance that capital spending plans are prudent, sustainable and affordable. The prudential Indicator full report appears elsewhere on the agenda.

5. CONCLUSION

- 5.1 It is anticipated that slippage from the current years' capital programme will be significantly less than last year and nothing has been currently planned in this respect.
- 5.2 Financial spend is in accordance with budget setting throughout and no overall overspend is anticipated. An updated capital monitoring position will be presented to the Resources Committee in due course.
- 5.3 The limited three year funding for appliances and equipment, together with the two year government grant for station improvements, has allowed progress against a range of smaller projects. The overall pressures on the asset portfolio remain, however, some of which were highlighted to the Capital Programme Working Party in July 2009. These pressures will need consideration alongside competing pressures and efficiency programmes in order to arrive at affordable capital plans for the future in the 2010/11 budget setting round and further reports will be presented to the Resources Committee for consideration at the appropriate time.

DEREK WENSLEY
Head of Physical Assets

APPENDIX A TO REPORT RC/09/5

Approved Capital Programme (2009/10 - 2011/12)

PREV YEARS (£000)	2008/09 (£000)	PROJECT	2009/10 (£000)	2010/11 (£000)	2011/12 (£000)	Project Total incl. prev years (£000)
		<u>Estate Development</u>				
661	1,522	Exeter Middlemoor	1,769	150		4,102
61	1,187	Exeter Danes Castle	1,692	103		3,043
	469	Other Projects				
		Funded Capital grant	870	1,193		2,063
		Allocation			1,000	1,000
	483	Maintenance ring fenced	750	750	750	2,733
		2008/09 slippage	231			231
	624	2007/08 slippage				
	4,285	Estates Sub Total	5,312	2,196	1,750	
		<u>Fleet & Equipment</u>	-			
	1,155	Appliance replacement	1,675	880		3,710
	200	Specialist Operational Vehicles	368			568
		Vehicle replacement programme	870	3,140	2,000	6,010
	259	Equipment	319	319	319	1,216
26	55	Asset Management Plan (Miquest) software	144			225
		2008/09 slippage	50			50
	400	2007/08 slippage				
	170	BA cylinder replacement				
	2,239	Fleet & Equipment Sub Total	3,426	4,339	2,319	
	6,524	Overall Capital Totals	8,738	6,535	4,069	

APPENDIX B TO REPORT RC/09/5

Revised Capital Programme (2009/10 - 2011/12)

PREV YEARS (£000)	2009/09 (£000)	PROJECT	2009/10 (£000)	2010/11 (£000)	2011/12 (£000)	Project Total incl. prev years (£000)
		<u>Estate Development</u>				
661	1,589	Exeter Middlemoor	1,702	150		4,1
61	1,023	Exeter Danes Castle	1,856	103		3,0
	245	Other Projects				
		Funded Capital grant	870	1,193		2,0
		Allocation			1,000	1,0
	415	Maintenance ring fenced	750	750	750	2,6
		Welfare facilities on stations	300			3
		Diversity & Equality grant	34			3
		USAR training facility enhancement	35			3
		2008/09 slippage	530			5
	624	2007/08 slippage				
	3,896	Estates Sub Total	6,077	2,196	1,750	
		<u>Fleet & Equipment</u>	-			
	930	Appliance replacement	2,034	880		3,8
	267	Specialist Operational Vehicles	392			6
		Vehicle replacement programme	870	3,140	2,000	6,0
	81	Equipment	319	319	319	1,0
26	22	Asset Management Plan (Miquest) software	177			2
		2008/09 slippage	252			2
	400	2007/08 slippage				
	170	BA cylinder replacement				
	1,870	Fleet & Equipment Sub Total	4,044	4,339	2,319	
	5,766	Overall Capital Totals	10,121	6,535	4,069	

The increase in the 2009/10 total from 8,738 to 10,111 between the February and latest report is constituted as follows:

- KEY:
- (67) - Reduced 2008/09 slippage on Middlemoor scheme
 - 164 - Increased 2008/09 slippage on Danes Castle scheme
 - 300 - Welfare facilities funded from 2008/09 approved transfer.
 - 34 - Diversity & Equality grant, fully funded by grant to enable enhancements
 - 35 - USAR training enhancement, fully funded by revenue & grant
 - 299 - Increased 2008/09 slippage on Estates schemes
 - 359 - Increased 2008/09 slippage on Appliance deliveries
 - 24 - Increased 2008/09 slippage on Special operational vehicles
 - 33 - Increased 2008/09 slippage on Asset software project
 - 202 - Increased 2008/09 slippage on Equipment schemes

1,383 - Total increase. $8,738 + 1,383 = 10,121$