

CAPITAL PROGRAMME WORKING PARTY

(Devon and Somerset Fire and Rescue Authority)

5 November 2009

Present:-

Councillors Fry, Smith, Wallace and Woodman.

***CPWP/4. Minutes**

RESOLVED that the Minutes of the meeting held on 31 July 2009 be signed as a correct record.

CPWP/5. Asset Management Considerations 2009/10 to 2012/13

The Working Party considered a report of the Head of Physical Assets (CPWP/09/2) that reviewed the current Capital Programme and the issues surrounding the setting of the future 2010/11 to 2012/13 capital budget. The report set out various emerging issues that may influence this budget setting process.

In terms of the existing Programme for 2009/10, the Head of Physical Assets advised that both of the Exeter stations had been completed and were in operational use. Exeter Middlemoor Station had been runner up in the South West Eco Awards and a presentation was to be made to a representative of the Service shortly. Members would be advised of the details in due course. It was noted that Exeter Middlemoor had been completed approximately £500,000 under budget and that consideration would need to be given to how this impacted on the Capital Programme in due course.

The Head of Physical Assets advised that there were a number of projects that had been identified as requiring implementation and that these were subject to bids for funding in accordance with the Medium Term Financial Plan (MTFP) process (in view of the impact of the debt charges on the Revenue Budget). These included:

- Bridgwater Training Facility
- Co-responder garaging
- Camels Head
- Foam Training
- Carbon Management Plan Project.

Reference was made to the position in respect of Brixham station, whereupon it was suggested that it may be appropriate for a site visit to be arranged in order that Members of the Working Party could gain information at first hand. The Head of Physical Assets stated that Brixham station was not included within the schemes in the Capital Programme for 2009/10. There were issues of affordability in addition and these were discussed further in conjunction with Minute CPWP/6 below. He added that he could see the merit in visits being organised but suggested that this should be widened to encompass other stations such as Buckfastleigh, Camels Head and Plymstock for example. This would then enable any issues in respect of future Capital Programme priorities to be considered holistically.

The Chief Fire Officer stated that there were other considerations including the outcome of the fundamental review of service delivery that was ongoing currently. This would not be completed until 2010/11 at the earliest and may impact on both the Revenue and Capital Budgets in 2011/12 therefore, it would not be prudent to take any decisions on major new capital schemes at this stage pending the outcome.

AGREED that the current position regarding the projects identified in Section 3.2 of Report CPWP/09/2 be noted at this stage and the issue be revisited by the Working Party as part of its consideration of proposals for inclusion in the 2010/11 Capital Programme.

CPWP/6. Affordable Capital Investment Plans 2010/11 to 2011/12

The Working Party received for information a report of the Treasurer (CPWP/09/3) that highlighted the affordability issues relating to any increase above the existing levels in the Capital Programme as already approved by the Devon and Somerset Fire and Rescue Authority (DSFRA).

The Treasurer drew attention to the point that the existing agreed capital spending was £20.725m for 2009/10 to 2011/12. This was still some way short of the total funding needed to provide a fully subscribed programme for estates and vehicle and equipment replacement for this period.

Reference was made in particular to the introduction of the Prudential Code in 2004 and the impact of this on local authorities. The fundamental objective was the consideration of affordability of capital schemes in terms of the associated debt charges that emanated and the impact on the Revenue Budget. There were 3 affordability prudential indicators, namely:

- Ratio of financial costs to net revenue stream;
- Capital financing requirements;
- Change in Band D equivalent Council Tax.

Whilst the current ratio of financing costs to revenue stream was 3.23% in 2009/10, this increased to 4.46% in 2011/12, which was under the notional ceiling of 5% but the Authority would need to bear this in mind when considering the affordability of any future capital schemes.

The Working Party considered whether it would be appropriate to reprofile the existing priorities within current resources in the light of the economic position or whether it was viable to extend the Capital Programme to add new schemes to bridge the gap on works needed. It was suggested that extension of the Capital Programme may not be affordable at this stage given the associated debt charges and forthcoming budgetary restrictions and that further consideration should be delayed pending the outcome of the fundamental service review (Minute CPWP/ 5 above refers).

***DENOTES DELEGATED MATTER WITH POWER TO ACT**