

WILTSHIRE & SWINDON FIRE AUTHORITY

REPORT REFERENCE NO.	8
MEETING	Wiltshire and Swindon Fire Authority
MEETING DATE	9 December 2015
SUBJECT OF REPORT	Revised Capital Programme 2015/16
LEAD OFFICER	Phil Chow, Brigade Manager
RECOMMENDATIONS	<p>Members of the Authority are asked to NOTE the changes required and reported in paragraph 3 below and APPROVE:-</p> <ul style="list-style-type: none"> ➤ the revised Capital Programme for 2015/16 of £3.728m as per Appendix A; ➤ the revised prudential indicators – Appendix B, as a result of the change in the capital programme 2015/16.
EXECUTIVE SUMMARY	<p>In reviewing the capital programme throughout 2015/16, alternative requirements and amendments have been necessary, either due subsequent approvals (additional vehicles), slippage, changing priorities or re-assessment of needs. This paper identifies and explains the required changes and the impact of such changes regarding affordability, prudence and sustainability.</p>
APPENDICES	<p>Appendix A – Revised Capital Programme 2015/16 Appendix B – Revised Prudential Indicators 2015/16</p>

Introduction

- 1 The Capital Programme 2015/16 of £9.098m was approved at the Fire Authority meeting in February 2015. Following the year end capital outturn position 2014/15, approval was sought to roll forward capital slippage to the sum of £0.049m, making the total capital programme for 2015/16 to be £9.147m.
- 2 The purpose of this report is to seek Fire Authority approval for a Revised Capital Programme of £3.728m for 2015/16 as per appendix A.
- 3 The programme has been revised mainly as a result of a number of items, which are

NOT PROTECTIVELY MARKED

explained in more detail in Appendix B:-

- a) Minor Estates/Property Capital Works (-£0.048m);
- b) Major Estates/Property Capital Works (+£0.048m);
- c) Safety Centre/Strategic Hub (-£3.257m);
- d) Cadcorp Software (-£0.023m);
- e) Finance System Upgrade (+£0.056m);
- f) ICT Harmonisation (-£0.409m);
- g) Network Infrastructure (-£0.078m);
- h) ICT Infrastructure (Safety Centre/Hub) (-£0.060m);
- i) Web and Mobile Apps (-£0.003m);
- j) Website and Social Media.037m);
- k) Aerial Ladder Platform Appliance (-£0.600m);
- l) Provided Cars (£-0.022m);
- m) General Service Cars (-£0.018m);
- n) Incident Command Vehicle (-£0.100m);
- o) Small Pumping Appliances (-£0.080m);
- p) Prevention Vehicles (+£0.025m);
- q) Large Pumping Appliances and Equipment (-£0.846m);

- 4 In summary the changes as identified in appendix A are as below.

	Property	ICT	Vehicles & Equipment	Total
Original Capital Budget 15/16	£5.136m	£1.796m	£2.166m	£9.098m
Carried forward from 14/15	£0.000m	£0.049m	£0.000m	£0.049m
Approved Capital Budget 15/16	£5.136m	£1.845m	£2.166m	£9.147m
Proposed Additions	£0.048m	£0.056m	£0.025m	£0.129m
Proposed Reductions	-£3.305m	-£0.577m	-£1.666m	-£5.548m
Revised Capital Budget 14/16	£1.879m	£1.324m	£0.525m	£3.728m

Prudential Indicators and Funding or Financing the Capital Programme

- 5 The Local Government Act 2003 introduced a new system of capital controls for local authorities, which replaced the statutory controls over borrowing to a system whereby the duty was on the local authority to determine its planned level of borrowing whilst considering affordability, prudence and sustainability. In compliance with the Prudential Code for Capital Finance in Local Authorities (published by the Chartered Institute of Public Finance and Accountancy (CIPFA)), the Authority formally approved a number of Prudential indicators at its February meeting.
- 6 Under the Prudential Code, there is a requirement that a fresh report be brought to members should the total quantum of capital expenditure change. In this case the attached Appendix B details the impact of the change in the capital programme regarding affordability, prudence and sustainability.
- 7 The change in the capital programme is such that the borrowing requirement under the prudential code has reduced. This is primary as a result that items within the revised programme will be been funded from earmarked or set aside resources specific to that purpose.

Policy Implications

- 8 The capital programme has been revised to reflect the need for projects within the programme to meet the changing priorities of the organisation as approved by senior management.

Risks

- 9 There are risks within the capital programme that projects will not be completed by 31 March, due to the nature of capital, i.e. delays in planning permissions, availability of contractors, and materials etc., leading to delays in works being carried out. Where this occurs, at outturn, requests will be made to carry forward slippage to the new Authority in 2016/17.

HR, Equality and Diversity Implications

- 10 None.

Environmental Implications

- 11 None other than in carrying out property works, the Authority looks at building contractors with 'greener' credentials and using more sustainable and efficient ways to reduce the carbon footprint.
- 12 Similarly in acquiring vehicles, the 'greener' credentials are also considered when purchasing options are selected.

Financial and Legal Implications

- 13 There is a revenue impact of borrowing in order to finance the capital programme, in that borrowing is taken out when required, usually at the year end or at the start of the following year. The impact of these changes means that there will generally be a lower capital charge to the revenue account in 2016/17 to that originally anticipated as a result of lower capital expenditure in 2015/16.
- 14 Financing of the capital programme is mainly through grants, direct revenue contributions (via use of reserves) or prudential borrowing. No capital grant was allocated by Central Government to Wiltshire and Swindon Fire Authority for 2015/16, but as part of Transformation Grant Funding, £5.554m was allocated as revenue grant in respect of the combination. WSFA were appointed as the lead Authority for administration purposes to receive and administer the grant in respect of the combination. The impact means that this will reduce the amount of borrowing required to sustain the capital programme. As additional borrowing is required, this will impact on the annual cost to the revenue account in capital charges (interest plus depreciation).

Recommendations

- 15 Members of the Authority are asked to NOTE the changes required and reported in paragraph 3 above and APPROVE:-
- the revised Capital Programme for 2015/16 of £3.728m as per Appendix A;
 - the revised prudential indicators – Appendix B, as a result of the change in the capital programme 2015/16.

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Unpublished documents used in the preparation of this report: None

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