



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 18/59

MEETING	Dorset & Wiltshire Fire and Rescue Authority
DATE OF MEETING	13 December 2018
SUBJECT OF THE REPORT	Revised Capital Programme 2018-19
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For noting and approval
EXECUTIVE SUMMARY	<p>The capital programme is regularly monitored and reviewed during the year. This paper sets out how the programme will be amended to take account of project progress in year, as well as savings delivered. Overall the 2018-19 Capital Programme will reduce to a forecast level of £8.306m. This will be financed through a mix of internal funding from grants and reserves, supplemented by an estimated new borrowing requirement of £3.893m.</p> <p>This paper seeks Members approval to change the programme in line with the rational set out in this report.</p>
RISK ASSESSMENT	<p>Progress on the capital programme is monitored on a regular basis and takes account of current risks and priorities. Capital financing requirements are planned and controlled in accordance with the CIPFA Prudential Code.</p>
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report.
BUDGET IMPLICATIONS	<p>The reduced forecast capital programme spend, and consequential reduction in estimated new borrowing will have a positive impact on the revenue budget in the short term. This will be reflected in the budget plans for 2019-20.</p>

RECOMMENDATIONS	It is recommended that Members: <ol style="list-style-type: none">1. Note the changes required and reported in Section 2 of this report and approve the Revised Capital Programme 2018-19 at £8.306m; and2. Approve the Revised Prudential Indicators 2018-19.
BACKGROUND PAPERS	18/05 Budget 2018-19 (Authority paper February 2018)
APPENDICES	Appendix A – Revised Prudential Indicators 2018-19
REPORT ORIGINATOR AND CONTACT	Name: Ian Cotter, Head of Financial Services Email: ian.cotter@dwfire.org.uk Tel: 01722 691109

1. Introduction

- 1.1 The original 2018-19 capital programme was approved at £9.632m by the Authority in February 2018. Two amendments to the capital programme have been approved during the year:
- a) following the year end capital outturn position for 2017-18 capital spend of £3.296m was approved for roll forward by the Finance and Governance Committee; and
 - b) the Authority approved the purchase of partner agency land at the Tisbury Fire Station site, with the expected purchase costs now being £325k.
- 1.2 Following these two amendments the revised 2018-19 capital programme total was set at £13.253m.
- 1.3 The purpose of this report is to seek Authority approval for further revisions to the 2018-19 capital programme, to take account of project progress in year, as well as savings delivered. The proposal is to reduce the revised 2018-19 capital programme total to £8.306m.

2. Revised Capital Programme

2.1 Property/Estates

- 2.1.1 **Skills for Life Centre** - The current budget for 2018-19 is £250k as a provisional sum for project development. A separate report is included on the agenda regarding this project.
- 2.1.2 **Other Property Capital Works** – The revised total will be £1.88m and takes account of; £325k additional spend in respect of the approved purchasing of land at Tisbury Fire Station; an estimated £180k for other projects starting in 2018/19, but completing in 2019/20 and £253k for identified reductions.

2.2 ICT and Communications

- 2.2.1 The revised budget shows a net reduction of £17k. This includes £72k for projects deferred to 2019/20; £20k of identified savings and £75k of additional costs, covering £40k for the wide area network (WAN) and £35k for training centre presentation equipment. With annual savings estimated at just under £80k, the additional one off costs for the WAN will be more than covered by savings in the first year of the new contract.
- 2.2.2 The programme also includes £260k for the provision of a new equipment asset management system and £40k to complete the transition to a single fleet management system. The equipment asset system is currently in the procurement phase and the transition to the fleet system is almost complete.

2.3 **Vehicles and Equipment**

- 2.3.1 **Aerial Ladder Platform (ALP) appliances.** The budget remains unchanged at £904k, including £768k for the new 42m ALP.
- 2.3.2 **Large Fire Appliances.** The revised programme shows a reduction of £3.08m in respect of 10 new appliances which will now be delivered in 2019/20. Additionally, savings of £40k are projected based on final spend for 7 new appliances already delivered this year, and a saving made against the purchase of 4 ex-lease appliances.
- 2.3.3 **Other Operational Vehicles.** £1.571m was included for other operational vehicles. Officers have been reviewing the requirement for a number of specialist vehicles, and given this, and forecasted procurement timescales, a £1.165m reduction to the programme is proposed. In addition, savings of £92k have been delivered against vehicles already purchased this year.
- 2.3.4 **Support vehicles** - The revised programme for support vehicles shows a reduction of £120k. This includes £100k for a new welfare support unit that has been deferred and a saving of £20k already made on the replacement of station support vehicles.
- 2.3.5 **Equipment** – The budget remains unchanged at £1.026m, with £813k of this sum earmarked for the first phase of replacing and modernising personal protective equipment. This project is progressing well, with a phased approach to ordering and supplying the new kit.

3. **Prudential Indicators and capital financing requirements**

- 3.1 With the additional changes to the capital programme, as highlighted above, the revised 2018-19 capital programme total will be £8.306m.
- 3.2 Reducing the total capital programme means that the capital financing requirements for the year will change, and this reduces the need for new long-term borrowing. Table 1 below shows the revised programme and proposals for capital financing.

Capital budget summary	Original Budget £'000s	Carry Forwards £'000s	In Year Changes £'000s	Revised Budget £'000s
Property/Estates	1,695	543	(108)	2,130
IT & Communications	692	236	(17)	911
Vehicles	6,219	2,517	(4,497)	4,239
Operational & Other Equipment	1,026	0	0	1,026
TOTAL	9,632	3,296	(4,622)	8,306
Financed by:				
Transformation Grant	250	47	0	297
Capital & Other Reserves	431	3,249	436	4,116
Prudential Borrowing	8,951	0	(5,058)	3,893
TOTAL	9,632	3,296	(4,622)	8,306

Table 1: Capital budget summary

- 3.3 As Members are aware, under the Prudential Code (the Code), the Authority must determine its planned level of borrowing whilst considering the affordability, prudence and sustainability of its capital plans. The Code requires the Authority to approve a range of prudential indicators in support of this requirement and these will need revising in light of the changes highlighted above.
- 3.4 The indicators show a more favourable position as a result of the reduced spending level and consequential reduction on borrowing requirement. Appendix A sets out revised prudential indicators for 2018-19.
- 4. Summary and key Points**
- 4.1 The original 2018-19 capital programme, approved by the Authority in February 2018 was £9.632m. The amendments highlighted in this paper result in a revised 2018-19 capital programme totalling £8.306m and the 2018-19 prudential indicators have been revised to reflect the reduced long-term borrowing requirements.

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