



**DORSET & WILTSHIRE  
FIRE AND RESCUE  
AUTHORITY**

Item 19/54

MEETING	Dorset & Wiltshire Fire and Rescue Authority
DATE OF MEETING	18 December 2019
SUBJECT OF THE REPORT	Revised Capital Programme 2019-20
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	To note and approve
EXECUTIVE SUMMARY	The Capital Programme is regularly monitored and reviewed during the year by the Finance & Audit Committee. This paper seeks formal approval of a revised programme for 2019-20 taking account of project progress in this year, including indicative procurement timescales, as well as other changes such as savings delivered. Overall the 2019-20 Capital Programme is forecast to reduce to £4.7 million. This will be financed through a mix of internal funding from grants and reserves, supplemented by an estimated new borrowing requirement of £3.2 million.
RISK ASSESSMENT	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 Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code.
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report.
BUDGET IMPLICATIONS	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 2020-21.

RECOMMENDATIONS	Members are asked to: <ol style="list-style-type: none"><li>1. Note the changes required and reported in Section 2 below and approve the Revised Capital Programme 2019-20 at £4.7 million; and</li><li>2. Approve the Revised Prudential Indicators 2019-20.</li></ol>
BACKGROUND PAPERS	<a href="#">Authority report from February 2019</a> - 19/06 Budget 2019-20 Authority report from February 2019 - 19/07 Treasury Management 2019-20
APPENDIX	Appendix A – Revised Prudential Indicators 2019-20
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## 1. Introduction

- 1.1 The original 2019-20 Capital Programme was approved at £8.4 million by the Authority in February 2019. Following the year end capital outturn position for 2018-19 capital spend of £1.9 million was approved for roll forward by the Finance and Governance Committee in July, taking the 2019-20 Capital Programme total to £10.3 million.
- 1.2 The purpose of this report is to seek Authority approval for further revisions to the 2019-20 Capital Programme, to take account of project progress in year, including current procurement timescales, as well as other changes such as savings delivered. The proposal is to set the Revised 2019-20 Capital Programme total at £4.7 million.

## 2. Revised Capital Programme

### 2.1 Property/Estates

- 2.1.1 **Other Property Capital Works** - The overall programme for building works has been reviewed, with some projects moving between years for better alignment of scheduled works. The overall impact for 2019-20 is an expected reduction in cost of £87k. The bulk of projects started in 2018-19 have now been completed and we recently concluded the purchase of the additional space at Tisbury Fire Station. The cyclical programme of works for 2019-20 is currently being tendered and it is likely that these works will not be completed before the end of the financial year. For planning purposes, we have assumed that £350k of these works will carry over to 2020-21.

### 2.2 IT and Communications

- 2.2.1 The revised budget shows a net reduction of £220k. The original budget included £267k in respect of our share of Network Fire Services Partnership (NFSP) capital costs, but £110k of those costs were incurred towards the end of 2018-19, rather than in 2019-20 as expected.
- 2.2.2 Within the carry forward amount there is £260k in respect of our new asset management system. This is currently in the procurement phase and heading for initial delivery early next financial year. As a result, not all costs will be incurred this year, but the spend profile will not be clear until a successful supplier has been appointed. This report assumes that only £150k will be spent this year, with the remaining £110k spent in 2020-21.

### 2.3 Vehicles and Equipment

- 2.3.1 **Large Fire Appliances.** The revised programme shows a reduction of £4.728 million in respect of large appliances. In the main this relates to nineteen new fire appliances which have been ordered this year, with stage payments already being made. Actual delivery will not begin until June 2020, and conclude in March 2021, so we will

account for the full cost against next year's capital programme. Additionally, there is a small saving on the purchase of four ex-lease appliances.

2.3.2 **Other Vehicles.** £1.041 million was included for other vehicle replacements, but following review, this has been reduced down to £827k.

2.3.3 **Equipment** - The budget remains unchanged at £1.198 million, with £1.033k of this sum earmarked for the final phase of replacing operational fire kit.

### 3. Prudential Indicators and Capital Financing Requirements

3.1 With the additional changes to the Capital Programme, as highlighted above, the Revised 2019-20 Capital Programme total will be £4.7 million.

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. The table below shows the revised programme and proposals for capital financing.

<b>Capital budget summary</b>	<b>Original Budget</b> £'000s	<b>Carry Forwards</b> £'000s	<b>In Year Changes</b> £'000s	<b>Revised Budget</b> £'000s
Property/Estates	1,329	866	(437)	1,758
IT & Communications	549	469	(220)	798
Vehicles	5,608	281	(4,943)	946
Operational & Other Equipment	918	280	0	1,198
<b>TOTAL</b>	<b>8,404</b>	<b>1,896</b>	<b>(5,600)</b>	<b>4,700</b>
<b>Financed by:</b>				
Capital & Other Reserves	267	695	530	1,492
Prudential Borrowing	8,137	1,201	(6,130)	3,208
<b>TOTAL</b>	<b>8,404</b>	<b>1,896</b>	<b>(5,600)</b>	<b>4,700</b>

3.3 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 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 requirements. Appendix A sets out Revised Prudential Indicators for 2019-20.

#### **4. Summary and key points**

- 4.1 The original 2019-20 Capital Programme approved by the Authority in February 2019 was £8.4 million. This was revised up to £10.3 million, to include carry forwards from 2018-19. The further changes highlighted in this report result in a Revised 2019-20 Capital Programme totalling £4.7 million.
- 4.2 As a result of the changes, the 2019-20 Prudential Indicators have been revised, as shown in Appendix A. The Capital Financing Requirement is much reduced at this time, generating further revenue savings, at least in the short term.

December 2019