

report

meeting	NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY	
date	13 September 2006	agenda item number

REPORT OF THE CHIEF FIRE OFFICER

VARIATION TO THE CAPITAL PROGRAMME 2006/7

1. PURPOSE OF REPORT

To propose a variation to the agreed Capital Programme for 2006/7 to enable the purchase of rescue equipment.

2. BACKGROUND

2.1 The Authority's Integrated Risk Management Plan (IRMP) identified an opportunity to carry out a Best Value Review of the provision of rescue services throughout the City and County area. The review concluded that the provision of Rescue Tenders did not make best use of resources nor did it provide a comprehensive service to the public. It was recommended that every pumping appliance should carry hydraulic rescue equipment in order that every first response vehicle should have the necessary tools to effect rescue without having to wait for the attendance of a Rescue Tender.

2.2 In addition the review proposed that a specialist heavy rescue team be set up at Beeston for those occasions when more specialist equipment was required.

2.3 The Revenue Budget for 2006/7 included £20,000 leasing provision for the advance purchase of hydraulic rescue equipment in order that the equipment could be evaluated with a view to a wider rollout of equipment in 2007/8.

2.4 Members will be aware that following the publication of the national procurement strategy for Fire and Rescue Authorities it is a requirement that all purchases of this magnitude are channeled through FireBuy. FireBuy however were not in a position to respond to Nottinghamshire's requirements and therefore suggested that the Authority should "piggy-back" a recent contract that had been negotiated by the South West of England.

2.5 Following this suggested route has saved a considerable amount of time and effort and resulted in a number of acceptable options being determined much earlier than might have been anticipated.

2.6 The benefits arising from this review are such that it is highly desirable that implementation is accelerated into 2006/7.

3. EFFECT ON CAPITAL

3.1 It had been envisaged that a fully managed contract would be put into place including maintenance and purchase over a period of ten years thus creating a demand on the Revenue Budget rather than the Capital Budget.

- 3.2 When the trials were taking place it quickly became apparent that the best technical solution was likely to involve a number of suppliers rather than just one, making any long term revenue based contract cumbersome. Suppliers were also uneasy about sinking the high costs of the equipment into a longer term contract which they would be required to fund.
- 3.3 It was also considered that the cost of capital to the Authority would be significantly lower than that available to a private sector company. Therefore, providing that sufficient "headroom" was available within the Authority's Prudential Code limits, it would almost certainly be better to finance the up front costs of the project from the Authority's Capital Programme.
- 3.4 The overall cost of the equipment is expected to be in the region of £600,000 depending on which specific option is adopted. This equipment has a design life of over ten years, however it is considered that in terms of financing and practical life a ten year period is appropriate.
- 3.5 The revenue implications of this project are anticipated to be of the order of £70,000 per annum including maintenance costs, albeit that only 25% of this will impact upon the 2006/7 revenue budget and can be covered from within existing budgets which are underspending due to capital slippage on other projects.
- 3.6 In the longer term, provision will need to be made within the revenue budget for 2007/8 and beyond. Approval is sought therefore to add this project to the Authority's Capital Programme for 2006/7.

4. FINANCIAL IMPLICATIONS

The financial implications are set out in the body of the report.

5. PERSONNEL IMPLICATIONS

There are no personnel implications arising from this report

6. RISK MANAGEMENT IMPLICATIONS

The implications for risk management are related more to community based risk than corporate risk. As the Best Value Review and the IRMP set out, an improved service will be delivered to the community as a result of this change.

7. EQUALITY IMPACT ASSESSMENT

There are no implications for equalities in this report.

8. RECOMMENDATIONS

That Members approve the addition of £600,000 to the Capital Programme for 2006/7 to be financed by slippage elsewhere in the programme.

9. BACKGROUND PAPERS FOR INSPECTION

None.

Paul Woods
CHIEF FIRE OFFICER