

meeting

**NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM
FIRE & RESCUE AUTHORITY
FINANCE AND RESOURCES COMMITTEE**

date

15 September 2006

agenda item number

REPORT OF CHIEF FIRE OFFICER

CAPITAL MONITORING REPORT – PERIOD 2 ENDED 31 MAY 2006

1. PURPOSE OF REPORT

To report to Members on Capital Programme progress in the year 2006/07 to the end of May 2006. This report analyses significant variances against the original programme.

2. BACKGROUND

Budget monitoring is a key aspect of financial management for the Authority. Regular reporting of spending against both the revenue and capital budgets to Senior Management Team and to Members is a check that spending is within available resources and, if necessary, allows for financial resources to be re-assigned to meet changing priorities. The capital monitoring statement is shown as Appendix A to this report. Revenue budget monitoring is the subject of a report elsewhere on this agenda.

3. REPORT

3.1 SUMMARY

The capital budget monitoring statement is showing an underspend to date of -£6,515k.

3.2 SIGNIFICANT VARIANCES

3.2.1 Transport is underspent by -£2,085k to date. The specifications of eight new appliances have been confirmed, and orders have been placed. The appliances will be built in stages and will be completed early in 2007/08. They will all be capable of responding to both fires and to Road Traffic Collisions (RTCs) and will carry hydraulic rescue and other RTC equipment to fulfil the dual role.

3.2.2 Property is currently underspent by -£2,995k, primarily due to the fact that the building of the new fire station at Hassocks Lane has not yet started. The approval by the Planning Committee for Broxtowe Borough Council has recently been granted and this decision will allow the construction of a state-of-the-art Fire Station. The approximate build schedule is as follows:-

June-Sept 2006	Prepare production information, drawing, specifications and tender package
Oct 2006	Invite tenders
Nov 2006	Receive and evaluate tenders

Dec 2006	Contractor mobilisation
Jan 2007	Commence construction on site
Dec 2007	Complete construction and move in

3.2.3 Information Technology is currently underspending by -£1,435k. Some projects in this area have now started to spend.

4. FINANCIAL IMPLICATIONS

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

5. PERSONNEL IMPLICATIONS

There are no personnel implications arising from this report.

6. EQUALITY IMPACT ASSESSMENT

There is no impact on equality issues arising from this report.

7. RISK MANAGEMENT IMPLICATIONS

Budget monitoring and the regular receipt of financial reports is key to managing one of the most significant risks to the organisation, that of financial risk. The process of budget monitoring is a key risk management control measure as are the management actions which are stimulated by such reporting. Finance division staff work collaboratively with budget holders in monitoring capital budgets and financial performance.

8. RECOMMENDATIONS

That Members note the contents of this report.

9. BACKGROUND PAPERS FOR INSPECTION

None.

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Capital Budget Monitoring as at May 2006

	<u>Budget</u> <u>2005-2006</u>	<u>Actual</u>	<u>-Under/</u> <u>Over</u>	<u>Estimated</u> <u>Outturn</u>	<u>Outturn</u> <u>Variance</u>
	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>
Transport					
Pumping Appliances	952		-952	952	0
Specialist Appliances	908		-908	908	0
Small vehicles	225		-225	225	0
	2,085		-2,085	2,085	0
Property					
Harworth	150		-150	150	0
Acquisitions	1,100		-1,100	1,100	0
Beeston/Dunkirk	1,300	1	-1,299	1,300	0
Fuel Tank Renewal	20		-20	20	0
SDC Garage	80		-80	80	0
Minor Schemes	400	79	-321	400	0
Retentions	25		-25	25	0
	3,075	80	-2,995	3,075	0
I.T					
Infrastructure Refreshment	142		-142	142	0
HR System	300		-300	300	0
IT Security and Business Continuity	350		-350	350	0
Infrastructure Additions	116	95	-21	116	0
Mobile Computing	250		-250	250	0
Business Expansion	100		-100	100	0
Replacement Equipment	100	8	-92	100	0
MOBs Upgrade	115		-115	115	0
Vector Command Simulation	65		-65	65	0
	1,538	103	-1,435	1,538	0
Total	6,698	183	-6,515	6,698	0

Capital Financing

As the Authority is now subject to the Prudential Code, rather than the highly centralised issue of credit approvals, the flexibility exists for a number of capital financing options to be explored. The revenue implications of the capital programme at this stage are based on the most likely capital financing methods rather than those which will actually be employed.

Throughout the period covered by the capital programme, it will be necessary to carry out detailed options analyses before deciding on the precise manner of financing, be that operating leasing, finance leasing, revenue financing or borrowing.

01-Sep-06