

report

meeting	NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY	
	FINANCE AND RESOURCES COMMITTEE	
date	13 April 2007	agenda item number

REPORT OF THE CHIEF FIRE OFFICER

CAPITAL MONITORING REPORT – PERIOD 11 ENDED 28 FEBRUARY 2007

1. PURPOSE OF REPORT

To report to Members on Capital Programme progress in the year 2006/07 to the end of February 2007.

2. BACKGROUND

Budget monitoring is a key aspect of financial management for the Nottinghamshire & City of Nottingham Fire & Rescue Authority. Regular reporting of spending against both the revenue and capital budgets to the Strategic 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.

3. REPORT

3.1 CAPITAL EXPENDITURE

- 3.1.1 The capital budget monitoring statement is showing an underspend to date of -£4,345k. Since the last capital monitoring report to Finance and Resources Committee in January 2007, capital expenditure has increased by £1,868k as various projects have progressed during the quarter. The projected underspend at year end is now -£3,576k, which is a £66k higher underspend than that reported to the January Committee.
- 3.1.2 Most of the significant underspends for Property and Information Technology were anticipated during the budget planning process and capital programme slippage from 2006/07 totalling £2,556k has been built into the 2007/08 capital programme.
- 3.1.3 For Transport, although much of the underspend to date is committed to projects, the vehicles will not be delivered until the new financial year. Once the accounts for 2006/07 have been closed, Members will be informed of the total slippage from 2006/07 into 2007/08.
- 3.1.4 The effect of capital programme slippage on the revenue budget is to delay capital financing charges, which will result in a temporary underspend against the revenue budget.

3.2 CAPITAL FINANCING

3.2.1 Option appraisals will be carried out as and when required, in conjunction with Sector, our treasury management advisers, to determine whether or not leasing is the most appropriate way of funding Transport and IT assets. The Authority borrowed £2m from the Public Works Loan Board in November, to fund part of the capital programme.

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

An initial equality impact assessment has revealed there are no impacts 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 the report.

9. BACKGROUND PAPERS FOR INSPECTION

None.

Frank Swann
CHIEF FIRE OFFICER

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Capital Budget Monitoring as at February 2007

	<u>Budget</u> <u>2006/07</u> <u>£000's</u>	<u>Slippage</u> <u>2005-06</u> <u>virements</u> <u>2006-07</u>	<u>Revised</u> <u>Budget</u> <u>2006-07</u>	<u>Actual</u> <u>£000's</u>	<u>-Under/</u> <u>Over</u> <u>£000's</u>	<u>Estimated</u> <u>Outturn</u> <u>£000's</u>	<u>Outturn</u> <u>Variance</u> <u>£000's</u>
Transport							
Pumping Appliances	952	648	1,600	965	-635	1,100	-500
Specialist Appliances:							0
Environmental Protection Unit	160	-160	0		0	0	0
Command Support Unit	160	0	160		-160	0	-160
Foam Unit	160	-160	0		0	0	0
Rescue Tenders	160	-160	0		0	0	0
Community Safety Outreach	100	0	100		-100	0	-100
Fuel Tanks	168	0	168		-168	0	-168
Small vehicles	225	278	503	181	-322	282	-221
Saab 9-3 vector sport wagon	0		0	-19	-19	-19	-19
	2,085	446	2,531	1127	-1,404	1,363	-1,168
Property							
Harworth	150	0	150	209	59	222	72
Acquisitions:							0
Alterations to Headquarters	500	0	500	58	-442	110	-390
Community Safety Premises	600	0	600	566	-34	625	25
Beeston/Dunkirk	1,300	0	1,300	83	-1,217	103	-1,197
Fuel Tank Renewal	20	0	20		-20	0	-20
SDC Garage	80	0	80		-80	0	-80
Minor Schemes	400	130	530	600	70	678	148
Retentions	25	0	25	16	-9	25	0
Funding from modernisation fund	0	0	0		0	0	0
	3,075	130	3,205	1,532	-1,673	1,763	-1,442

Equipment

Specialist Rescue Equipment	600	0	600	552	-48	600	0
	600	0	600	552	-48	600	0

I.T & Communications

Infrastructure Refreshment	142	0	142	91	-51	100	-42
HR System	300	0	300		-300	0	-300
IT Security and Business Continuity	350	0	350	25	-325	100	-250
Information Systems Developments	40	0	40	14	-26	14	-26
Wifi Networking	40	0	40		-40	0	-40
EISEC Caller Line Identification	16	0	16		-16	0	-16
Mobile Computing	250	0	250	61	-189	61	-189
Business Expansion	100	0	100		-100	0	-100
Replacement Equipment	100	0	100	14	-86	64	-36
MOBs Upgrade	135	0	135	15	-120	135	0
Vector Command Simulation	65	0	65	65	0	65	0
IT Modernisation - slippage from 05/06	0	175	175	208	33	208	33
	1,538	175	1,713	493	-1,220	747	-966

Total	7,298	751	8,049	3,704	-4,345	4,473	-3,576
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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.

28-Mar-07