



# Report

Report to: **The Board of Strathclyde Fire & Rescue**  
Date of Meeting: **8 April 2010**  
Report by: **Chief Officer and Treasurer**

Subject: **Capital Programme 2010 - 2013**

## 1 Purpose of Report

1.1 The purpose of the report is to:-

- ◆ seek Board approval of the proposed Capital Programme for 2010 – 2013, recognising that years 2 and 3 are indicative at this stage, and will be refined as the Programme progresses.

## 2 Recommendations

2.1 The Board is asked to approve the following recommendations:-

- (1) that the level of capital expenditure for 2010 – 2013 as outlined in paragraph 5.6, be agreed;
- (2) that the Capital Programme 2010 – 2013, as outlined in Appendix A, be approved.

## 3 Background

- 3.1 The Capital Programme is submitted annually to the Board for approval, covering the forthcoming 3-year period. It is recognised that years 2 and 3 are indicative figures that are refined in future years.
- 3.2 Members will be aware that the level of capital expenditure that the Board can incur is governed by the Prudential Code for Capital Finance in Local Authorities, introduced under the Local Government in Scotland Act 2003.
- 3.3 Under a separate agenda item the Prudential Indicators and Treasury Management Strategy 2010-2013 demonstrates that the proposed programme meets the required criteria under that Code of being prudent, affordable and sustainable.

#### **4 Projected Expenditure 2009/10**

- 4.1 Against a total capital programme of £14.043million it is anticipated that there will be an underspend of £5.0million, which is in relation to the Training Centre and the new fire station. Expenditure on both of these projects will require to be carried forward into 2010/11.
- 4.2 In November 2009 Scottish Government provided an advance of formula grant from 2010/11, amounting to £156,000, towards the purchase of 2 rescue pump chassis. A total of 5 additional chassis from next year's programme will be delivered before 31<sup>st</sup> March at a cost of c.£0.5million.

#### **5 Level of Capital Expenditure 2010 - 2013**

- 5.1 The Board approved in October 2009, within the Medium Term Financial Strategy, a Capital Programme of £6million per annum plus the Training Centre.
- 5.2 In addition the Scottish Government has renewed its commitment to fully fund the new fire station at Clydesmill.
- 5.3 The proposed programme for 2010/11 reflects the intention to take early delivery of 5 rescue pump chassis during 2009/10, as indicated in paragraph 4.2, and as such the level of expenditure is reduced by £0.5million.
- 5.4 It is currently anticipated that the level of expenditure on the Training Centre in 2011/12 will be £25million. In recognition of this significant commitment it is proposed to reduce other expenditure during that year by £2million to £4million. Thereafter it will return to its normal level of £6million.
- 5.5 It is therefore proposed that the level of capital expenditure over the period of this Programme is set as follows :
- 2010/11 – Training Centre, fire station at Clydesmill, plus £6million, less £0.5million brought forward,
  - 2011/12 – Training Centre plus £4million,
  - 2012/13 – Training Centre plus £6million.
- 5.6 In total this amounts to £17.839m in 2010/11, £29.049m in 2011/12 and £7.694m in 2012/13.

#### **6 Sources of Funding**

- 6.1 Since the introduction of the Prudential Code the Scottish Government has provided Capital Grant as a key source of capital funding. Authorities may also choose to augment this by use of capital receipts and borrowing.
- 6.2 An offer of Capital Grant has been received from Scottish Government for 2010/11 as follows:

- Formula grant £5.987m (net of grant brought forward into 2009/10)
- Top slice grant – Fire Station at Clydesmill £2.711m
- Top slice grant – Training Centre £2.000m.

6.3 Top slice grant of £0.810m in relation to the fire station at Clydesmill will be carried forward from 2009/10 and applied to the funding of this project in 2010/11.

6.4 While funding has been set aside nationally for the construction of carbonaceous burn units, no decision has yet been made regarding the allocation of this. The funding package for the Capital Programme assumes no such funding is provided, however if this is subsequently received, the level of borrowing can be correspondingly reduced.

6.5 It is assumed in relation to Years 2 and 3 that formula grant will be maintained at the same level (representing a real terms reduction), that there will be no new projects funded from top slice grant, and that the training centre will continue to receive top slice grant support at £2m in 2011/12 and £1.5m in 2012/13. It should be noted that there is a risk that these funding levels will not be achieved.

6.6 It is assumed that no capital receipts will be realised or utilised over the 3-year period in relation to the disposal of surplus land at Cowcaddens, Parkhead or Cambuslang. It is however anticipated that there will be a closing balance, at 31 March 2010, of £0.7million on the Useable Capital Receipts Reserve, which will be allocated over the period towards the funding of the programme.

6.7 The balance of funding will be met from borrowing. The Prudential Indicators and Treasury Management Strategy 2010-2013 Report demonstrates that the proposed programme meets the required criteria under the Prudential Code of being prudent, affordable and sustainable.

6.8 If market conditions permit the disposal of surplus land during this period the receipts will be applied to the funding of the Programme and the level of borrowing can therefore be reduced.

6.9 The total proposed funding package is illustrated in the table below:

<b>£000</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Formula Grant	5,987	6,143	6,143
Top Slice Grant	5,521	2,000	1,500
Capital Receipts	300	350	51
Borrowing	6,031	20,556	-
<b>Total Funding</b>	<b>17,839</b>	<b>29,049</b>	<b>7,694</b>

## 7 Planned Expenditure

7.1 Details of planned expenditure are contained in Appendix A and are summarised as follows:

<b>£000</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
Training Centre	8,357	25,049	1,551
Fire Station at Clydesmill	3,982	-	-
Property Refurbishments	400	1,900	1,750
Property Minor Works	500	500	500
Vehicles	2,295	765	2,900
Mobilisations/Communications	1,120	500	500
Operational Equipment	1,185	335	493
<b>Total Expenditure</b>	<b>17,839</b>	<b>29,049</b>	<b>7,694</b>

7.2 The proposed programme includes provision for the following;

- 95% completion of the training centre (balance in future years),
- Completion of the new fire station at Clydesmill,
- delivery of completed rescue pumps as follows:

2010/11 9  
2011/12 5  
2012/13 14

- refurbishment of fire stations at Kilwinning and Castlemilk,
- significant annual investment in IT and communications,
- construction of 2 carbonaceous burn units.

7.3 While there is no specific provision for community safety facilities, it is intended that these will be incorporated within refurbishment and new build projects.

## 8 Employee Implications

8.1 The Capital Programme has embedded within it a number of projects that may have employee implications. Where this is the case projects will be reported on an individual basis.

## **9 Financial Implications**

9.1 The financial implications have been outlined within the body of the report.

## **10 Equality Impact Assessment and Consultation Arrangements**

10.1 Equality Impact Assessments will be carried out at the appropriate stage for each relevant project.

10.2 The proposed Programme has been endorsed by the Corporate Management Team and the Budget Scrutiny Forum.



**Brian P Sweeney**  
**Chief Officer**  
**Strathclyde Fire & Rescue**

8 March 2010

**Linda Hardie**  
**Treasurer**  
**Board of Strathclyde Fire & Rescue**

8 March 2010

### **Link to Board Objectives**

- Effective financial management underpins all of the Board's objectives.

### **Previous References**

- Capital Programme 2009-2012, April 2009.

### **List of Background Papers**

- Prudential Code Indicators and Treasury Management Strategy 2009-2012, April 2009
- Strategic Business case for the Training Centre, April 2008
- Medium Term Financial Strategy 2010-2013, October 2009.

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-  
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**STRATHCLYDE FIRE & RESCUE**  
**Summary of Estimated Capital Expenditure 2010 - 2013**

(x £1,000)

**Capital Expenditure Legally Committed (LC)**

Financial Year		
2010/11	2011/12	2012/13
1,469	298	20

**Capital Expenditure Not Yet Legally Committed (NYLC)**

Financial Year		
2010/11	2011/12	2012/13
16,370	28,751	7,674

**TOTAL - LC & NYLC**

Financial Year		
2010/11	2011/12	2012/13
17,839	29,049	7,694

**SOURCES OF FUNDING**

Source	Financial Year		
	2010/11	2011/12	2012/13
Capital Grant - Formula	5,987	6,143	6,143
Capital Grant - Top Slice	5,521	2,000	1,500
Capital Receipts	300	350	51
Borrowing	6,031	20,556	-
<b>TOTAL</b>	<b>17,839</b>	<b>29,049</b>	<b>7,694</b>

**STRATHCLYDE FIRE & RESCUE**  
**Capital Programme 2010 - 2013**

***SUMMARY***

Category	Estimated Total Net Cost £000	Amount Funded in Previous Years £000	Spend Profile					
			2010/11		2011/12		2012/13	
			LC £000	NYLC £000	LC £000	NYLC £000	LC £000	NYLC £000
Training Centre	38,374	2,972	1,469	6,888	298	24,751	20	1,531
Fire Station at Clydesmill	5,140	1,158	-	3,982	-	-	-	-
Refurbishments	4,050	-	-	400	-	1,900	-	1,750
Minor Works	1,500	-	-	500	-	500	-	500
Vehicles	5,960	-	-	2,295	-	765	-	2,900
Mobilisation/Communications	2,120	-	-	1,120	-	500	-	500
Operational Equipment	2,208	195	-	1,185	-	335	-	493
<b>Sub-total</b>			<b>1,469</b>	<b>16,370</b>	<b>298</b>	<b>28,751</b>	<b>20</b>	<b>7,674</b>
<b>TOTAL (LC+NYLC)</b>	<b>59,352</b>	<b>4,325</b>		<b>17,839</b>		<b>29,049</b>		<b>7,694</b>

**STRATHCLYDE FIRE & RESCUE**  
**Capital Programme 2010 - 2013**

***NEW BUILD PROJECTS***

Project Description	Estimated Total Net Cost £000	Funded in Previous Years £000	Spend Profile					
			2010/11		2011/12		2012/13	
			LC £000	NYLC £000	LC £000	NYLC £000	LC £000	NYLC £000
Training Centre	38,374	2,972	1,469	6,888	298	24,751	20	1,531
New Fire Station at Clydesmill (incl CS Facilities)	5,140	1,158		3,982		-		-
Sub-total			1,469	10,870	298	24,751	20	1,531
<b>TOTAL (LC+NYLC)</b>	<b>43,514</b>	<b>4,130</b>		<b>12,339</b>		<b>25,049</b>		<b>1,551</b>

**STRATHCLYDE FIRE & RESCUE**  
**Capital Programme 2010 - 2013**

***REFURBISHMENTS***

Project Description	Estimated Total Net Cost £000	Funded in Previous Years £000	Spend Profile					
			2010/11		2011/12		2012/13	
			LC £000	NYLC £000	LC £000	NYLC £000	LC £000	NYLC £000
Kilwinning Fire Station (incl CS Facilities)	1,900	-		400		1,500		-
Castlemilk Fire Station	1,900	-		-		400		1,500
SFR Museum (Greenock)	250	-		-		-		250
<b>Sub-total</b>			-	400	-	1,900	-	1,750
<b>TOTAL (LC+NYLC)</b>	<b>4,050</b>	<b>-</b>		<b>400</b>		<b>1,900</b>		<b>1,750</b>

**STRATHCLYDE FIRE & RESCUE**  
**Capital Programme 2010 - 2013**

**MINOR WORKS**

Project Description	Estimated Total Net Cost £000	Funded in Previous Years £000	Spend Profile					
			2010/11		2011/12		2012/13	
			LC £000	NYLC £000	LC £000	NYLC £000	LC £000	NYLC £000
Minor Works -Elemental Upgrades	1,500	-		500		500		500
<b>Sub-total</b>			-	500	-	500	-	500
<b>TOTAL (LC+NYLC)</b>	<b>1,500</b>	<b>-</b>		<b>500</b>		<b>500</b>		<b>500</b>

**STRATHCLYDE FIRE & RESCUE**  
**Capital Programme 2010 - 2013**

**VEHICLES**

Project Description	Estimated Total Net Cost £000	Funded in Previous Years £000	Spend Profile					
			2010/11		2011/12		2012/13	
			LC £000	NYLC £000	LC £000	NYLC £000	LC £000	NYLC £000
Rescue Pump Chassis	2,070	-		810		-		1,260
Rescue Pump Bodybuild	3,080	-		990		550		1,540
Light Vehicle Fleet	465	-		265		100		100
Volunteer Support Unit	345	-		230		115		-
<b>Sub-total</b>			-	2,295	-	765	-	2,900
<b>TOTAL (LC+NYLC)</b>	<b>5,960</b>	<b>-</b>		<b>2,295</b>		<b>765</b>		<b>2,900</b>

**STRATHCLYDE FIRE & RESCUE**  
**Capital Programme 2010 - 2013**

***MOBILISATION/COMMUNICATIONS***

Project Description	Estimated Total Net Cost £000	Funded in Previous Years £000	Spend Profile					
			2010/11		2011/12		2012/13	
			LC £000	NYLC £000	LC £000	NYLC £000	LC £000	NYLC £000
Communications Equipment	130	-		130		-		-
PC's & Servers	750	-		250		250		250
ICT Programme	750	-		250		250		250
Human Resources/Payroll System	420	-		420		-		-
Fireground radios	70	-		70		-		-
<b>Sub-total</b>			-	1,120	-	500	-	500
<b>TOTAL (LC+NYLC)</b>	<b>2,120</b>	-		1,120		500		500

**STRATHCLYDE FIRE & RESCUE**  
**Capital Programme 2010 - 2013**

***OPERATIONAL EQUIPMENT***

Project Description	Estimated Total Net Cost £000	Funded in Previous Years £000	Spend Profile					
			2010/11		2011/12		2012/13	
			LC £000	NYLC £000	LC £000	NYLC £000	LC £000	NYLC £000
Operational Equipment	1,198	-		470		285		443
Ladder Replacement	100	-		100		-		-
Breathing Apparatus Compressors	100	-		100		-		-
Integrated Water Incident Response	330	195		135		-		-
Carbonaceous Burn Units	330	-		330		-		-
Personal Protective Equipment - Trainee Firefighters	150	-		50		50		50
<b>Sub-total</b>			-	1,185	-	335	-	493
<b>TOTAL (LC+NYLC)</b>	<b>2,208</b>	<b>195</b>		1,185		335		493