



Cumbria Commissioner Fire and Rescue Authority

TITLE: Capital Budget Monitoring 2023/24 – Quarter 4 to Mar 2024 (Provisional Outturn)

**Date of Meeting: Executive Board – Fire
4 September 2024**

Executive Summary:

The attached report provides an updated position of income and expenditure against the capital programme as approved for the 2023/24 financial year.

Projections are based on actual expenditure up to the end of March 2024. Known changes to the capital programme budget approved to date have been included in the report, this includes the capital strategy approved by the Commissioner in February 2024.

Recommendation:

The Commissioner is asked to:

- Note the provisional capital outturn position for 2023/24 as reported.
- Formally approve a change to the 2023/24 programme budget of £398k, being the additional spend on vehicles not included in the original programme.
- Formally approve the changes to the 5-year capital strategy arising from re-profiling and detailed planning of approved schemes.
- Formally approve the determinations at section 4 (paragraph 4.1), in respect of the financing of the 2023/24 capital expenditure.

MAIN SECTION

1. Introduction and Background

- 1.1. The Commissioner approves on an annual basis a 10-year capital strategy and a more detailed five-year capital programme. This includes the annual capital budget that finances the delivery of capital schemes and provides for investment in ICT, the estate, vehicles, and equipment needed to deliver operational firefighting.
- 1.2. This report is set out in three main sections:
- ◆ Section 2 provides an update on the capital budget for the 2023/24 financial year.
 - ◆ Section 3 provides a brief update on the overall capital programme for a five-year period to 2028/29.
 - ◆ Section 4 sets out the statutory determinations required to be made by the Commissioner under part IV of the Local Government and Housing Act 1989 in relation to capital financing.

2. Capital Budget 2023/24

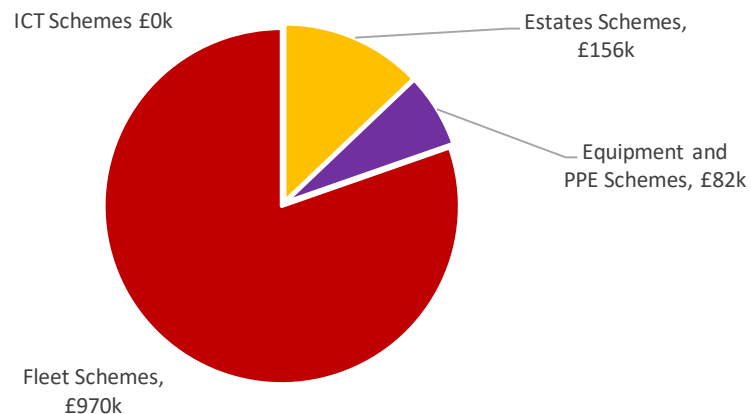
- 2.1. On 16th February 2023 the Commissioner approved an indicative 10-year capital strategy up to 2032/33 with a more detailed programme including capital financing for a five-year period to 2028/29. The capital programme has subsequently been amended to incorporate the effect of in year changes, such as variations to existing schemes, approved by the Commissioner. The Capital Strategy for 2024/25 and beyond, approved 15th February 2024, has also been reflected in the future year budgets where required.
- 2.2. The table below summarises the movement in the capital budget during 2023/24 and expenditure against it as at the end of the fourth quarter. Total capital expenditure during the year amounted to **£1.207m** against the adjusted budget of **£2.337m** which represents a net reduction of **£1.130m** (48.91%) against the approved budget for 2023/24. The overall variance is made up of:

Requests to Carry Forward to future years (Reprofiling) of schemes not yet delivered	-£1.595m
Requests to bring budget from future years for schemes delivered early	+£0.067m
Various overspends (see section 2.4 – 2.7)	+£0.398m
	-£1.130m

	Capital Budget 2023/24 £000
Capital Budget 2023/24 (Approved 16/02/23)	3,115
Budget Changes approved (15/02/24)	(778)
Approved Adjuted Budget 2023/24	2,337
Capital Outturn 2023/24	1,207
Forecast Variation	(1,130)
Made up of:	
Budget Changes (Under)/Over Spend	398
Budget Reprofile to 2024/25	(1,595)
Budget Reprofile to 2023/24	67
	(1,130)

Forecast Variation Summary	Changes 2023/24 £000
Estates Expenditure - Stores Move	24
Fleet Expenditure - B/Fwd Accruals	157
Fleet Expenditure - Welfare Vehicles	175
Fleet Expenditure - Wildfire Vehicles	14
Fleet Expenditure - Boats	21
Fleet Expenditure - Pickups	8
Fleet Expenditure - Service Vehicles	(1)
Fleet Expenditure - Forklift Truck	(1)
	398

2023/24 Outturn by Scheme Type = £1.207m



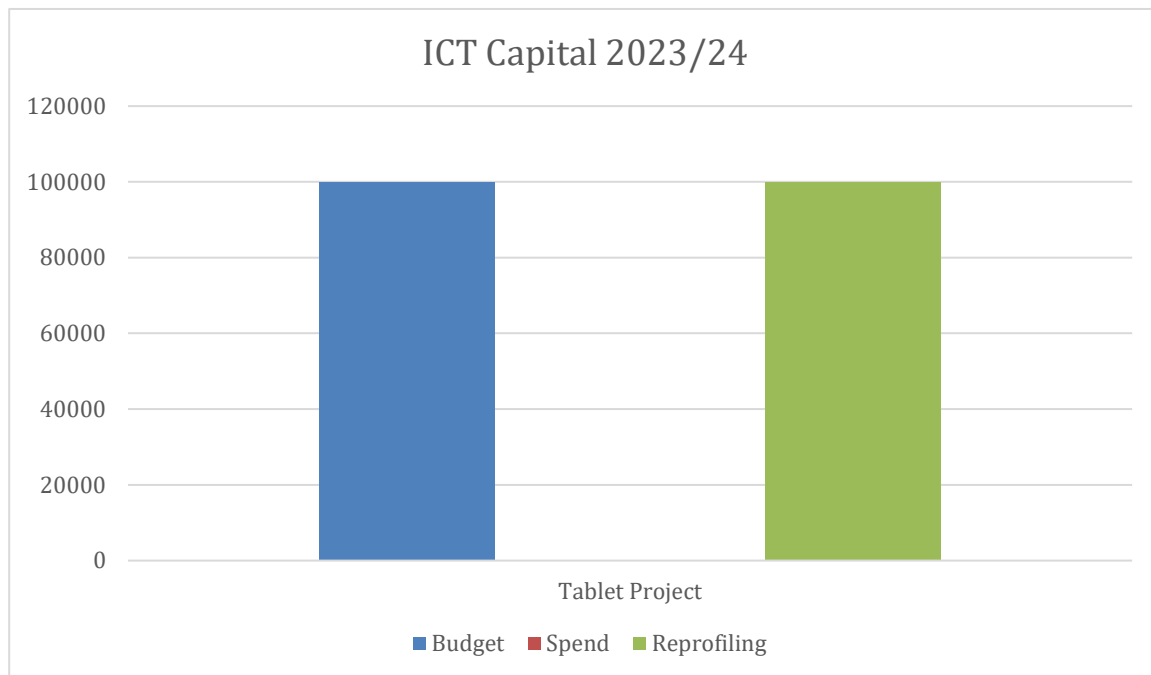
Reprofiling	Changes 2023/24 £000	% of budget 2023/24 £000
From 2023/24 to 2024/25		
ICT Schemes	(100)	100%
Equipment & PPE Schemes	(24)	100%
Fleet Schemes	(1,471)	71%
	(1,595)	-68%
From 2024/25 to 2023/24		
Estates Schemes	56	
Equipment & PPE Schemes	11	
	67	

A more detailed breakdown of the individual schemes that make up these amounts can be found at **Appendix A**.

2.3. The paragraphs below provide a brief update on the progress on each of the main categories of scheme:

2.4. ICT Schemes

ICT schemes in the year comprised of an allocation for rolling out tablets across the Service. A pilot is currently underway, and the budget is requested to be carried forward to 2024/25 for completion.



R1) The Commissioner is asked to note the reprofiling of £100k for ICT schemes to 2024/25

2.5. Estates Schemes

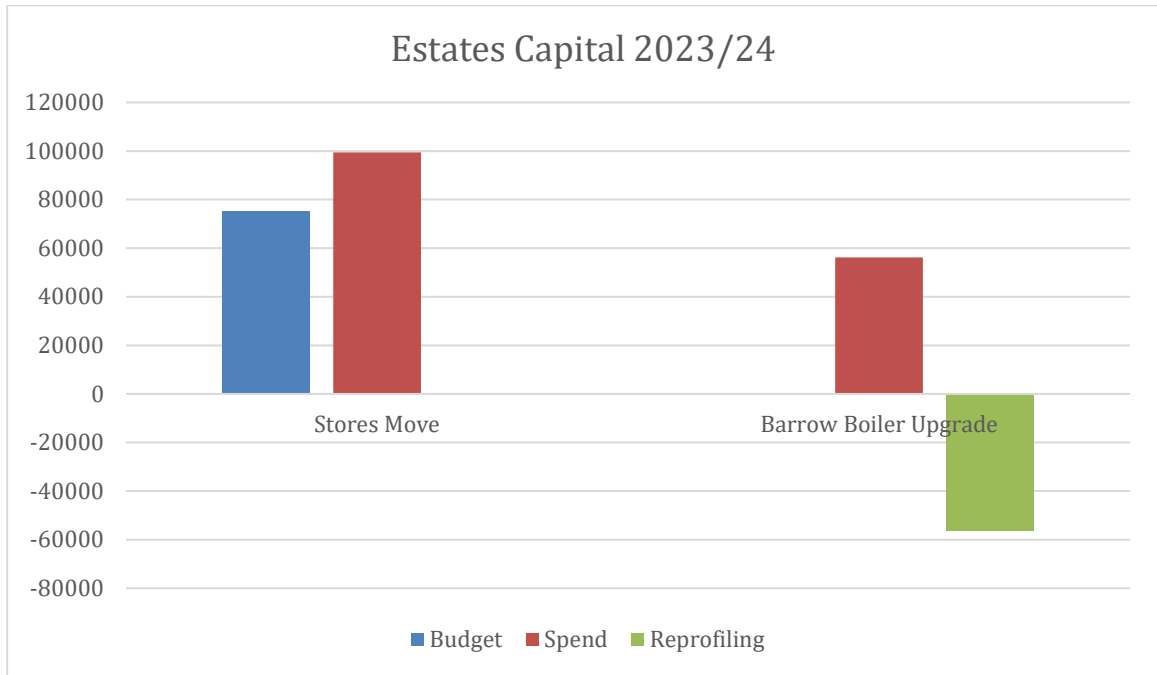
There were two main estates schemes undertaken in the year; the move of the stores function from Kendal to Penrith HQ and the Boiler plant upgrade at Barrow Fire Station.

Store Move

The moving of the Stores function to Penrith HQ was included in the budget at £75,000. Final spend accrued totalled £99,425, leaving an overspend of £24,425 (32.5%).

Barrow Boiler Upgrade

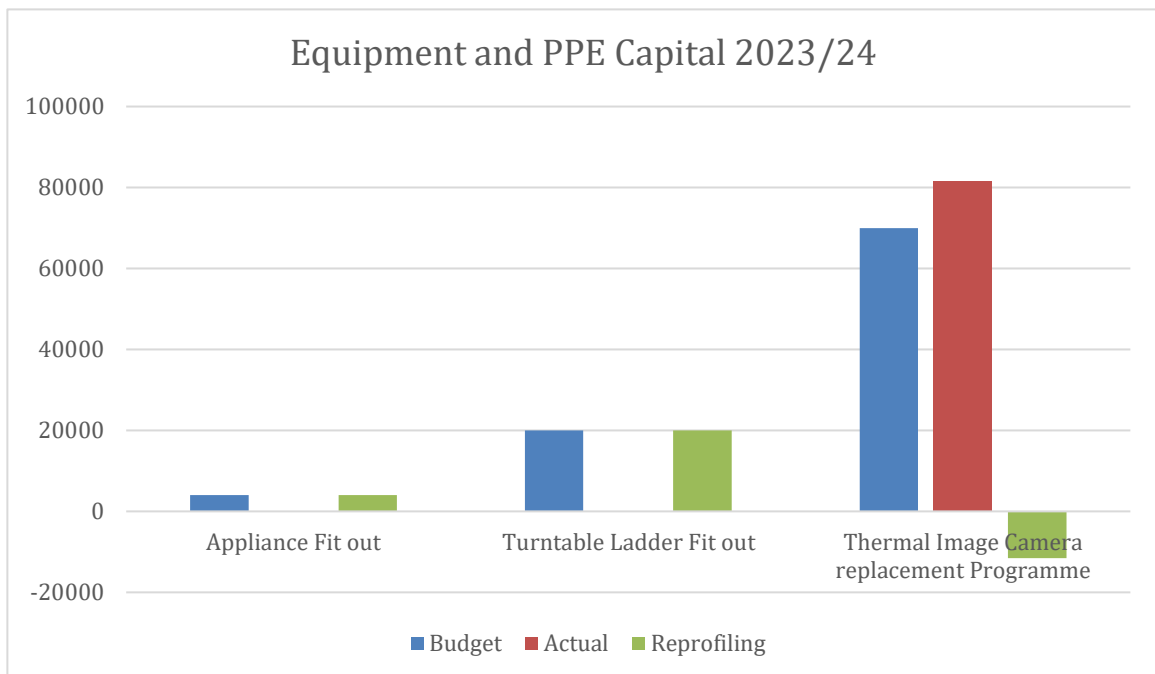
The upgrade work to the boiler plant at Barrow was originally included in the 2024/25 capital programme at £100,000. The contracts were procured and let and work began early, resulting in expenditure in 2023/24. It is therefore recommended that budget to cover the incurred expenditure in 2023/24 be brought forward from the allocation in 2024/25.



R2) The Commissioner is asked to note the negative reprofiling of £56k from the estates schemes in 2024/25 to 2023/24.

2.6. Equipment & PPE Schemes

Three schemes were included in equipment and PPE replacements with a total budget allocated of £94,000.



Thermal Image camera replacement

The replacement of thermal imaging camera's was overspent by £11,563 due to additional units being purchased. This can be funded from the 2024/25 allocation as this will not be required due to the increased number purchased in 2023/24.

R3) The Commissioner is asked to note the reprofiling of £24k from 2023/24 to 2024/25 for the equipment and PPE schemes.

R4) The Commissioner is asked to note the reprofiling of £11k from 2024/25 to 2023/24 for the equipment and PPE schemes.

2.7. Fleet Schemes

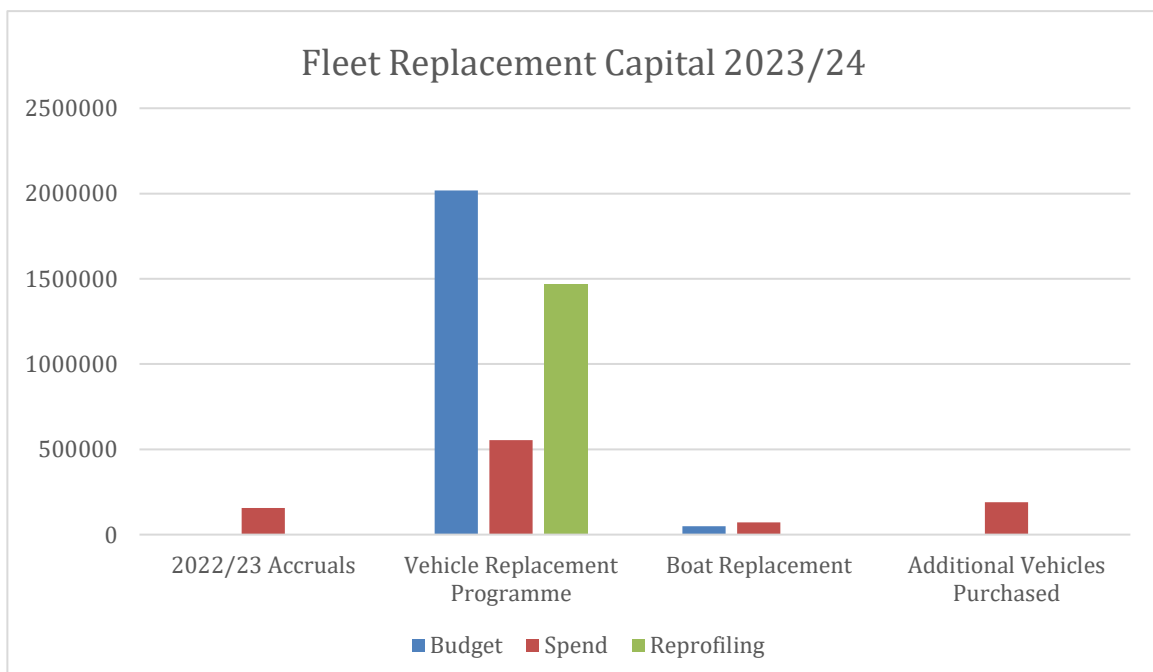
The fleet replacement programme made up the largest element of the 2023/24 capital programme, at £2.068m.

In 2023/24, fourteen vehicles were replaced, 4 pick-up utility vehicles, 4 service response cars, 1 forklift truck, 1 wildfire vehicle, 2 welfare vehicles and the initial payments on 2 turntable ladders. Two boats and trailers were also replaced during the year.

The 2 welfare vehicles, and the wildfire vehicles were not included in the capital programme and therefore result in an overspend. These were missed from the original replacement programme when it was developed during 2023/24 due to the crossover from the County Council.

There were six appliances and 3 light vehicles purchased in 2022/23 and accruals were included by the County Council for these vehicles which were subsequently paid for in 2023/24 by CFRS. The accruals included by the Council were not sufficient to cover the final invoice values for the six appliance vehicles, resulting in a shortfall to be funded in 2023/24 of £155,767.

It is proposed that this be funded from the £2m Home Office Grant that was provided in April 2023 and is also being used to finance the rest of the capital programme expenditure in 2023/24.



R5) The Commissioner is asked to note the reprofiling of £1,471k from the Fleet Schemes to 2024/25

3. Capital Programme 2023/24 to 2027/28

3.1. The table below provides a summary of the capital programme and associated capital financing over the five-year period to 2027/28:

Summary of revised capital budget 2023/24 to 2027/28					
	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Capital Expenditure					
ICT Schemes	0	534	710	494	350
Estates Schemes	156	1,008	450	501	872
Equipment and PPE Schemes	82	222	175	295	295
Fleet Schemes	970	2,908	1,348	1,856	1,411
	1,207	4,673	2,683	3,146	2,928
Capital Financing					
Revenue Contributions (HO Grant)	1,207	1,793	0	0	0
Capital Receipts	0	171	0	0	0
Borrowing Requirement	0	2,709	2,683	3,146	2,928
	1,207	4,673	2,683	3,146	2,928

A more detailed schedule is provided at **Appendix B**.

Home office Grants of £2m and £1m were received during 2023/24. These were provided as revenue grants, with the £1m grant received specifically for work to bring the estate up to appropriate standards.

The original capital programme assumed that all capital expenditure would be funded by borrowing requirement. It is therefore proposed to utilise these grants to support capital investment incurred during 2023/24, with the balance to be utilised in future years to reduce the liability of a borrowing requirement arising, and thus reducing the impact of borrowing costs on the revenue budget.

R6) The Commissioner is asked to note the use of Home Office grants to finance the capital expenditure incurred during 2023/24

3.2. The changes required to the ongoing capital programme as a result of the outturn position is shown below.

Changes to Capital Programme as a result of Q4 position					
	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Approved Strategy	2,337	3,145	2,683	3,146	2,928
Current Expenditure Predictions	1,207	4,673	2,683	3,146	2,928
Difference	(1,130)	1,528	0	0	0
Reprofiling from 23/24 to 24/25	(1,595)	1,595	0	0	0
Reprofiling from 24/25 to 23/24	67	(67)	0	0	0
Variance on Estates Expenditure	24	0	0	0	0
Variance on Fleet Expenditure	217	0	0	0	0
Variance on B/Fwd Accruals	157	0	0	0	0
Difference	(1,130)	1,528	0	0	0

These changes have been discussed above in section 2 of this report on a scheme-by-scheme basis.

R7) The Commissioner is asked to formally approve the changes to the 5-year capital programme.

4. Capital Determinations

4.1. Part IV of the Local Government and Housing Act 1989 requires a number of “determinations” to be made and approved in relation to the financing of capital expenditure. These are set out below:

- ◆ Capital receipts from the disposal of the vehicles in 2023/24 amounted to £9,355. These have been added to the unapplied capital receipts from previous years (transferred from the County Council), reserved to meet expenditure commitments in future years.
- ◆ In 2023/24 no capital receipts have been applied to meet capital expenditure under part IV (section 60.2) of the act. The balance of unapplied capital receipts is £171,463 on 31 March 2024.
- ◆ A sum amounting to £714k has been set aside in the revenue account as a minimum revenue provision (MRP) for credit liabilities (section 63.5 of the act) in line with the policy agreed as part of the Treasury Management Strategy Statement in February 2023. This is on top of the amount set aside for repayment of MRP on PFI liabilities which was £452k.

5. Supplementary Information

5.1. Appendices to this report are provided as follows:

- ◆ Appendix A – Capital Budget and Expenditure 2023/24
- ◆ Appendix B – Capital Programme 2024/25 to 2028/29

Capital Budget 2023/24

Capital Programme 2023/24	Of which:							
	Original Approved Budget £000	New Schemes Approved £000	Budget Changes Approved £000	Approved Adjusted Budget £000	Draft Capital Outturn £000	Forecast Variation £000	Budget Reprofile £000	Budget Changes £000
ICT Schemes								
General Allocation	1,000	0	(1,000)	0	0	0	0	0
Tablet Project	0	100	0	100	0	(100)	(100)	0
Total ICT Schemes	1,000	100	(1,000)	100	0	(100)	(100)	0
Estates Schemes								
General Allocation	1,000	0	(1,000)	0	0	0	0	0
Stores Move	0	75	0	75	99	24	0	24
Barrow Fire Station Boiler Plant Upgrade	0	0	0	0	56	56	56	0
Total Estates Schemes	1,000	75	(1,000)	75	155	80	56	24
Equipment and PPE Schemes								
New Appliance fit out Lazonby/Arnside moves	0	4	0	4	0	(4)	(4)	0
2 x Turntable Ladder fit out	0	20	0	20	0	(20)	(20)	0
Thermal Image Camera Replacement Program	0	70	0	70	81	11	11	0
Total Equipment and PPE Schemes	0	94	0	94	81	(13)	(13)	0
Fleet Schemes								
General Allocation	1,115	0	(1,115)	0	0	0	0	0
Technical Rescue Van	0	30	0	30	0	(30)	(30)	0
Technical Rescue Van	0	30	0	30	0	(30)	(30)	0
Forklift Truck	0	12	0	12	11	(1)	0	(1)
IVECO Van	0	30	0	30	0	(30)	(30)	0
IVECO Van	0	30	0	30	0	(30)	(30)	0
32m Turntable Ladder	0	699	0	699	125	(574)	(574)	0
32m Turntable Ladder	0	699	0	699	125	(574)	(574)	0
Ford Ranger	0	31	0	31	33	2	0	2
Ford Ranger	0	31	0	31	33	2	0	2
Ford Ranger	0	31	0	31	33	2	0	2
Ford Ranger	0	31	0	31	33	2	0	2
Skoda Karoq 4x4	0	30	0	30	0	(30)	(30)	0
Skoda Karoq 4x4	0	30	0	30	0	(30)	(30)	0
Skoda Karoq 4x4	0	30	0	30	0	(30)	(30)	0
Skoda Karoq 4x4	0	30	0	30	0	(30)	(30)	0
Skoda Karoq 4x4	0	30	0	30	0	(30)	(30)	0
Skoda Karoq 4x4	0	30	0	30	0	(30)	(30)	0
Volvo XC60	0	30	0	30	30	(0)	0	(0)
Volvo XC60	0	30	0	30	30	(0)	0	(0)
Volvo XC60	0	30	0	30	30	(0)	0	(0)
Volvo XC60	0	30	0	30	30	(0)	0	(0)
Vehicle Wrapping	0	24	0	24	21	(3)	(3)	0
Roofbox modifications to x2 Scania appliance	0	40	0	40	21	(19)	(19)	0
Boats	0	50	0	50	71	21	0	21
Wildfire Vehicle	0	0	0	0	14	14	0	14
2 x Welfare Vehicles	0	0	0	0	175	175	0	175
B/Fwd Accruals	0	0	0	0	157	157	0	157
Total Fleet Schemes	1,115	2,068	(1,115)	2,068	971	(1,097)	(1,471)	374
Total Capital Expenditure 2023/24	3,115	2,337	(3,115)	2,337	1,207	(1,130)	(1,528)	398

Capital Programme 2024/25 to 2028/29

	Reprofile						
	Approved Budget 2024/25 £000	(to)/From previous years £000	Revised Budget 2024/25 £000	Revised Budget 2025/26 £000	Revised Budget 2026/27 £000	Revised Budget 2027/28 £000	Revised Budget 2028/29 £000
ICT Schemes							
Upgrade to PSTN lines	98	0	98	0	0	0	0
CAD and ICCS implementation (NWFC)	216	0	216	360	144	0	0
Tablet Project	0	100	100	0	0	0	0
Data Centre Migration	120	0	120	0	0	0	0
General Allowance	0	0	0	350	350	350	350
Total ICT Schemes	434	100	534	710	494	350	350
Estates Schemes							
Station Specific Allocations	955	(56)	899	235	15	0	0
Fire House	20	0	20	5	5	400	4
Exhaust systems	0	0	0	35	35	35	35
Security system	35	0	35	35	35	35	35
Refuse / recycling	0	0	0	5	0	0	0
Access / RTC compounds	10	0	10	10	10	0	0
Electric appliance bay doors	0	0	0	40	40	40	40
People v's vehicles	10	0	10	10	10	10	10
Replacement training tower	0	0	0	30	30	30	35
Green agenda - LED's, sensors, E-charge	0	0	0	10	11	12	13
Fire precautions	35	0	35	35	35	35	35
General allowance	0	0	0	0	275	275	275
Total Estates Schemes	1,065	(56)	1,009	450	501	872	482
Equipment & PPE Schemes							
New Appliance fit out Lazonby/Arnside moves	0	4	4	0	0	0	0
2 x TLL fit out	0	20	20	0	0	0	0
4 x Type B appliance	80	0	80	0	0	0	0
3 x Type B appliance	0	0	0	60	0	0	0
JICU fit out	0	0	0	20	0	0	0
Dry Suit Replacement Program	59	0	59	59	59	59	59
Working at Height Replacement Program	35	0	35	0	0	0	0
TIC Replacement Program	36	(11)	25	36	36	36	36
General Allowance	0	0	0	0	200	200	200
Total Estates Schemes	210	13	223	175	295	295	295
Fleet Schemes	1,436	1,471	2,907	1,348	1,856	1,411	938
Total Schemes	3,145	1,528	4,673	2,683	3,146	2,928	2,065