



Cumbria Commissioner Fire and Rescue Authority

Public Accountability Conference

TITLE:	Cumbria Commissioner Fire and Rescue Authority (CCFRA): Capital Investment Strategy 2025/26
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DATE OF MEETING:	13 February 2025
REPORT OF:	The Chief Finance Officer
REPORT ITEM:	8a and 8b

Executive Summary:
The attached report provides proposed Capital Investment Strategy for 2025/26 to 2034/35.

Recommendations:
The Commissioner is RECOMMENDED to: <ul style="list-style-type: none">a. Approve the Capital Investment Strategy as set out in this reportb. Approve the capital projects that will require a business case or decision paper before they can proceed (as outlined at 4.2).

1.0 Introduction

- 1.1 The Capital Investment Strategy (CIS) is a key policy document for the Service and provides guidance on the Capital Programme and the use of capital resources and Asset Management Plans. The strategy reflects the links to other Service plans and is based on the guidance in the Medium-Term Financial Plan (MTFP). The Capital Investment Strategy is written following guidance included in the Prudential Code (2021) and reflects the new CIPFA Capital Strategy Guidance 2021 'A whole organisation approach'.

The objectives of the Capital Investment Strategy are to:

- Provide an overview of the governance process for approval and monitoring of capital expenditure;
 - Provide a longer-term view of capital expenditure plans;
 - Provide an overview of asset management planning;
 - Provide expectations around debt and use of internal borrowing to support capital expenditure;
 - Define the authority's approach to commercial activities including due diligence and risk appetite;
 - Defines the available knowledge and skills to the authority in relation to capital investment activities.
- 1.2 Capital spending is strictly defined and is principally incurred in buying, constructing or improving physical assets such as buildings, land and vehicles, plant and machinery. It also includes grants and advances to be used for capital purposes. The Service's policy on capitalisation is included in the Financial Regulations and in the Accounting Policies of the Statement of Accounts. The policy states that items of vehicle, plant and equipment over £10,000 will be capitalised and expenditure on land, buildings and other structures over £20,000 will be capitalised. Expenditure under these limits is deemed to be a revenue cost.

1.3 Evaluation and Monitoring of Capital Projects

The evaluation and monitoring of capital projects is important to enable the Service to determine:

- If projects have met their individual objectives for service provision,
 - If projects have been delivered on time and to budget, or whether lessons need to be learned to improve processes in the future,
 - If projects have contributed to the overall aims and objectives of the Service.
- 1.4 To assist with these processes, the Service has a series of procedures in place as a capital project develops. These consist of: -
- Consideration of all aspects of a capital project by the Executive Board - Fire, comprising senior officers of the Service and the OPFCC, whose purpose is to lead on the prioritisation of capital investment through the consideration of business cases and the ongoing monitoring and evaluation of individual capital projects. All proposals for investment will be submitted for consideration as part of the normal budget process.

- The development of a risk-assessed project plan for every project, which is subject to regular monitoring against key milestones by a nominated project officer.
- Changes to capital budgets, scheme costs, the inclusion or removal of individual schemes and information on remedial action needed to bring projects back on track are reported to the Commissioner.
- The Senior Leadership Team and Commissioner receive quarterly monitoring reports on the Capital Programme to review progress on the delivery of projects. This process also includes the evaluation of completed capital projects to assess if their individual aims and objectives have been met and makes recommendations where necessary to improve the delivery of similar projects in the future.

1.6 Current Asset Portfolio

The Service holds a modest asset portfolio that supports its operational activities. The balance sheet valuations are shown below:

Asset Category	Valuation 31/03/2024 £000
Land & Buildings	44,155
Vehicles and Plant	8,135
Assets Under Construction	249
TOTAL	44,404

Land & Buildings (Operational)

These are operational properties that are used to deliver services and for the Service primarily relate to Fire Stations.

Vehicles, Plant and Equipment (Operational)

These assets are used in the delivery of Services and include owned vehicles, IT equipment, and other equipment

The assets held on the balance sheet are offset by the long-term debt currently held on the balance sheet. As of 31 March 2024, this totalled £20.600million (which included £13.014million of PFI liabilities and £7.586million in PWLB debt).

2.0 Financial Principles supporting the Capital Investment Strategy.

2.1 Capital expenditure is to be incurred in line with Financial Regulations as follows:

- The Chief Finance Officer (s.151) is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by the Commissioner and covers at least the current and forthcoming three financial years’;

2.2 The key principles to be applied to the Capital Investment Strategy are set out below:

- Capital resources are held corporately and are allocated according to the priorities set out in the Fire Plan (i.e. there is no automatic ring-fencing of resources for specific purposes);
- Capital receipts will be allocated in accordance with Service priorities;
- Income generated from the sale of vehicles, plant and equipment will be reinvested in the programme and be used initially to fund future replacements;
- The Service will seek to maximise the use of grants and external funding;
- The Service is committed to deliver capital investment with partners to maximise benefits where this fits with Service priorities;
- Redirection of capital resources from one project to another will be contained within existing budgets, unless increases can be justified through the budget process;
- Capital budgets are generally cash-limited i.e. no provision is made for inflation which effectively means that over time there is a real reduction in the value of resources allocated to specific capital projects;
- Council Tax increases will be limited to fair and reasonable levels. This requires a full assessment of the revenue consequences of capital projects and their respective methods of finance (e.g., borrowing costs);
- Any shortfall against the capital receipts forecast to be received will have significant implications on the ability to deliver the forecast levels of investment without incurring borrowing;
- Review of capital financing decisions which will likely have a revenue budget impact due to lack of capital resources (E.g., through re-profiling of capital receipts and borrowing);
- In order to reduce the exposure of the service to a borrowing requirement the following steps should continue to be examined:
 - o Review of existing capital programme to ensure that schemes are still required and are accurate;
 - o Maximisation of the use of grants and contributions from external sources;
 - o Providing a recurring revenue contribution to the capital programme;
 - o Invest to save schemes that can repay the capital investment over a period of time.

2.3 Links to other Strategies

The Medium-Term Financial Plan takes account of other Strategies, which have a potential impact on the use of resources by the Service. Particularly consideration is given to the following key strategies: -

- The Police, Fire and Crime Plan
- The Community Risk Management Plan (CRMP)
- The Medium-Term Financial Plan, which provides information on the proposed revenue budget and considerations that will impact on future budgets.
- The Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy, which sets out the assumptions for financing requirements and interest rates and their effect on the revenue budget.
- The Estates Strategy, which provides forecasts of necessary investment in the estate's portfolio.
- The Fleet Strategy, which provides information on the investment, maintenance, and aspirations of the Service's fleet.
- The Asset Disposal Strategy.
- The Productivity and Efficiency Strategy
- The Procurement and Commissioning Strategy.
- The ICT Strategy.

- People Strategy

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3.0 Strategic Vision / Long Term ambitions

3.1 The Service recognises the vital contribution its Capital Investment Strategy (CIS) and its asset portfolio play in the delivery of an effective and efficient fire service for Cumbria. To achieve that the CIS needs to reflect and inform other key strategic documents, namely, the Estates Strategy and Asset Management Plan and the Fleet Strategy.

3.2 External and Partner Influences

Capital investment decisions will be influenced by both internal and external factors.

Projects for inclusion in the capital programme arise from a variety of sources, some of them internally generated and some arising from external factors. The more significant of these are summarised as follows:

Internal Factors

- Service Priorities
- Investment identified in strategies, policies and plans
- Work needed to maintain Property assets
- Vehicles, Plant and Equipment replacement needs
- ICT Investment and replacement
- Invest to save projects

External Factors

- Government sponsored programmes
- Unforeseen emergency works, e.g. RAAC
- Works required to comply with legislation e.g. disabled access, health & safety
- Projects resulting from partnership activity
- Availability of external funding
- Public expectation that works should be carried out

The Service works with a wide range of partners from the public, private, voluntary and community sectors, all of which may have an influence over its spending priorities. These include, but are not limited to:

- Central Government
- Other Local Authorities
- Health sector
- Further and Higher education sector
- Charity, social and not for profit sector
- Private sector
- Community Projects

4.0 Capital Expenditure

4.1 Capital Investment Priorities

The Capital Investment Strategy needs to ensure that any capital investment decisions are both affordable and achieve the priorities as set out in the Fire Plan. The Service is at a point where it has limited capital resources and as such any investment in assets will have implications on the revenue budget (either through direct revenue contributions or borrowing costs).

The Capital Investment Strategy must therefore recognise the implications of capital investment decisions and ensure that they are in line with Service priorities and financing requirements are robustly evaluated and understood.

The current capital programme includes provision for investment in replacement fleet vehicles and includes allowances for work to estates and ICT and replacement of equipment and PPE.

Other capital investment opportunities may present themselves over the lifetime of the MTFP; each will be subject to further business cases on investment opportunities and the benefits that could be made from those investments.

All business cases are subject to due diligence to ensure that they afford the best value for money for the Service, align with its core priorities and do not expose the Service to unnecessary risk that could put future delivery of services in jeopardy.

The table below shows the current capital resources before any new decisions around capital investment are made. These forecasts have been updated with a detailed programme of capital expenditure as part of the 2025/26 MTFP and budget setting process.

	Forecasts				
	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Opening Borrowing Requirement (Excl PFI)	10,730				
Estimated resources available in year (Table 3)	(1,000)	0	0	0	0
Proposed Programme (Table 2)	5,328	3,620	3,641	3,178	3,001
In-Year Borrowing Requirement (Excl PFI)	4,328	3,620	3,641	3,178	3,001
MRP And Repayment of Debt	(687)	(927)	(1,254)	(1,532)	(1,838)
Cumulative Borrowing Requirement (Excl PFI)	14,371	17,064	19,451	21,097	22,260

The Service also has a borrowing liability arising from the PFI contracts in place. The Borrowing position including PFI is as follows:

	Forecasts				
	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Opening Borrowing Requirement (Incl PFI)	23,252				
Estimated resources available in year (Table 3)	(1,000)	0	0	0	0
Proposed Programme (Table 2)	5,328	3,620	3,641	3,178	3,001
In-Year Borrowing Requirement (Incl PFI)	4,328	3,620	3,641	3,178	3,001
MRP And Repayment of Debt	(1,221)	(1,505)	(1,880)	(2,211)	(2,575)
Cumulative Borrowing Requirement (Incl PFI)	26,359	28,474	30,235	31,202	31,628

4.2 Current Expenditure Forecast

The table below shows the current projected expenditure forecasts for capital investment. A full breakdown of the 10-year plan is shown in **Appendix A**.

	Forecasts				
	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Fleet	2,540	1,985	1,573	1,483	1,370
Property Enhancements	1,808	734	1,169	356	917
Equipment & ICT	980	901	899	1,339	714
Total Programme	5,328	3,620	3,641	3,178	3,001

In accordance with Financial Regulation B3 – Capital Programme, capital projects are split into three categories, Indicative, Delegated and Firm as outlined below

- **Indicative** – Where a scheme requires a full detailed business case to be submitted to the Commissioner for formal approval. The information requirements for schemes will be subject to OPFCC CFO approval.
- **Delegated** – where a scheme is approved in principle but there are fine details with regard to procurement and costs that have been delegated to the OPFCC CFO, for final approval. The OPFCC CFO may vire from capital reserves to fund any balance for the scheme within the delegated limit.
- **Firm** - where a firm scheme is approved, procurement can commence without delay. They will typically relate to cyclical replacement programmes and maintenance works. They will either be supported by the relevant capital strategy or a business case, at or before the approval of the capital programme.

Therefore, the following categories will be applied to the main areas of the capital programme. Where decision papers and business cases are required these will be considered by SLT and Executive Board – Fire for approval.

Indicative

- ***Estates***

projects will be subject to a business case where individual projects are over £100,000. A CCFRA decision paper is required before expenditure can be incurred for all other estates projects.

- ***ICT***

projects will be subject to a business case where individual projects are over £30,000. A CCFRA decision paper is required before expenditure can be incurred for all other ICT projects.

- ***Equipment and PPE***

projects will be subject to a business case where individual projects are over £30,000. A CCFRA decision paper is required before expenditure can be incurred for all other Equipment and PPE projects.

Delegated

- ***Fleet***

schemes will be categorised as delegated, but a CCFRA decision paper must be completed prior to procurement beginning outlining the preferred procurement route and options for fleet replacements.

4.3 Current Resource Forecasts

The Service's capital programme can be financed, (or paid for), through a variety of sources and the Chief Finance Officer (s.151) will make recommendations on the most effective and efficient way of financing the Capital Programme to optimise the overall use of resources. The availability of staff resources to deliver the approved programme will need to be considered during the budget process.

4.3.1 Capital Grants

The Service does not receive any specific capital grants, however, one-off grants linked to applications for particular projects could provide external funding.

4.3.2 Revenue Contributions and Reserves

The capital programme can also be financed using reserves (both capital and revenue) although revenue contributions will have an overall effect on the General Fund revenue budget. Revenue contributions will have to be found from existing revenue budgets but may be more cost effective than incurring borrowing costs. A £1m revenue contribution will be made in 2025/26 utilising funding provided by the Home Office in 2024/25.

4.3.3 Capital Receipts

Capital Receipts arise principally from the sale of capital assets.

The sale of assets, particularly from fleet replacement can be utilised to support the Capital Programme in the Capital Strategy. Capital receipts will be used to finance capital expenditure as and when they arise.

4.3.4 Borrowing Requirement

The cumulative in-year borrowing requirement identifies a potential need to borrow an additional £10.367million to fund the capital programme over the next five years. The brought forward borrowing requirement (excluding PFI liabilities) of £10.730million compares to actual brought forward external debt of £7.586million. The balance of £2.666million represents internal borrowing.

The Medium-Term Financial Plan includes an expectation of incurring borrowing in each year from 2025/26. The revenue cost of the borrowing will need to be paid for from the revenue budget and although allowance is included in the MTFP, this will be subject to market factors when borrowing is required (e.g., interest rates).

5.0 Debt, Borrowing and Treasury Management

5.1 Borrowing

Rules on borrowing have been relaxed since the introduction of the Prudential Code in April 2004 with authorities now able to borrow as much as it wishes provided that it can afford the repayments from its revenue budget.

The Service has identified that it will need to undertake additional borrowing to fund the current and forecast capital programme. The cost of this borrowing is included in the Medium-Term Financial Plan however, the cost of borrowing will be subject to the underlying interest rates

Borrowing can be undertaken through external loans with, for example, the Public Works Loan Board (PWLb), or can be undertaken by utilising internal resources, i.e. cash and investment balances. This is known as internal borrowing. Using internal borrowing still requires provision for Minimum Revenue Provision (MRP) to be made and will result in the loss of investment income interest.

The Chief Finance Officer (s.151) is delegated with responsibility for the financing of the capital programme and as such may make borrowing decisions based upon interest rates, the Service's cash flow projections and other economic factors, in order to optimise the overall use of resources. External advice will be sought from the Service's Treasury advisors, Link, if necessary.

To reduce the exposure of the Service to a borrowing requirement the following steps should be examined when determining proposed capital programmes:

- Review of existing capital programme to ensure schemes are still required and are accurate;
- Maximisation of the use of grants and contributions from external sources;
- Providing a recurring revenue contribution to the capital programme;
- Invest to save schemes that can repay the capital investment over a period of time.

Where possible the Service will attempt to minimise the use of any debt financing for capital projects, however, it is recognised that this is will not be possible with no other forms of capital resource available. Where debt financing is unavoidable, the Service will consider robust business cases to ensure the servicing of debt costs can be adequately met from revenue resources without having an adverse impact on service delivery or taxpayers. Where possible, debt will be repaid at the earliest opportunity, and the type of borrowing undertaken will always reflect the need the Service has at the point in time it is taken out.

5.2 The Capital Financing Requirement

The Capital Financing Requirement (CFR) represents the Service's underlying need to borrow. This is different to any actual borrowing. If the Service generates the same amount of capital resources (excluding borrowing) in a year to meet its capital expenditure requirements, then there is no change to the CFR. However, if the Service spends more than the resources it generates in year, the CFR will increase as the Service has created a borrowing requirement to bridge the gap in the resources it needs and the resources it has.

The CFR does not necessarily reflect actual borrowing taken from an external source, it can reflect the use of internal cash resources, i.e., internal borrowing.

Where the Service has a positive CFR, i.e., an underlying need to borrow, it must make provision to repay that 'debt', or repay the cash used through internal borrowing. This is known as **Minimum Revenue Provision (MRP)**. The Service's current policy, as set out in the MRP Strategy is to charge MRP on an **asset life basis**. As MRP is a non-cash transaction it has the effect of increasing the cash balance of the Service that will then allow debt to be repaid.

The current forecast for the CFR and MRP based on the current capital programme is as follows:

	Forecasts				
	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Total Capital Expenditure	5,328	3,620	3,641	3,178	3,001
Capital Resources applied in year	(1,000)	0	0	0	0
MRP & Other Repayment of Debt	(1,221)	(1,505)	(1,880)	(2,211)	(2,575)
Change in Underlying need to borrow	3,107	2,115	1,761	967	426
CFR Brought Forward	23,252	26,359	28,474	30,235	31,202
CFR Carried Forward	26,359	28,474	30,235	31,202	31,628
CFR for PFI	11,988	11,410	10,784	10,105	9,368
CFR For Prudential Borrowing Purposes	14,371	17,064	19,451	21,097	22,260

5.3 Investment and Reserve Balances

An important consideration to understand when making capital investment decisions, especially when a borrowing requirement exists is the relationship between the Service's available cash investment balances and its reserves.

On 1 April 2024, the Service had cash and investments of £6.711million. If all revenue and capital budgets are spent in line with the budget and all receipts are received in line with expectations then on 31 March 2025, investment balances will be approximately £7.5million.

The surplus monies / internal investments position represents how much of any borrowing requirement identified can be met from internal resources (internal borrowing) or how much will

need to be met from actual external borrowing up to 2029/30. Where there is an internal investment shown this represents the use of the Service's own investments to support the borrowing requirement, i.e., internal borrowing. If interest rates were extremely low at present, there is little value added by holding cash in investments whilst undertaking external borrowing at higher rates. However, this position also must be balanced by the Service having enough cash to pay for day-to-day expenditure. The need to borrow externally at the most appropriate time is constantly reviewed and updated to ensure that the Service borrows at the best available rates and at the most appropriate time.

This can also be shown when comparing the difference in the CFR (underlying need to borrow) and the actual borrowing level.

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
CFR (Underlying Need to borrow)	26,359	28,474	30,235	31,202	31,628
Total External Borrowing	11,227	13,920	13,920	15,566	15,566
Total Internal Borrowing	3,144	3,144	5,531	5,531	6,694
Other Long Term Liabilities (PFI)	11,988	11,410	10,784	10,105	9,368
(Over)/Under Borrowing Position	0	0	0	0	0

The forecasts for external borrowing above have been adjusted so ensure no under or over borrowing position should occur and that actual borrowing matches the CFR.

Before undertaking no further external debt, consideration will be given to whether the Service has sufficient cash resources to minimise the externalisation of debt. This consideration will look at the investment return potential of retaining cash balances against the potential cost of borrowing.

As the figures shown above are based on forecast levels of expenditure linked to current budgets and anticipated receipts, actual figures will vary in each year depending upon actual expenditure and income levels.

5.4 Debt Financing Costs

The table below shows the actual and forecast debt financing costs (Interest) for actual and forecast debt and compares to the Service's budget requirement. Interest and MRP are charges against the Service's revenue budget and any changes to the profiling of external borrowing or changes to interest rate assumptions are included in the Treasury Management forecasts when the budget is set.

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Total External Borrowing	11,227	13,920	13,920	15,565	15,565
Interest	284	434	495	528	562
Capital Financing Cost (MRP)	687	927	1,254	1,532	1,838
Total Capital Financing Cost	971	1,361	1,749	2,060	2,400
Revenue Budget Requirement	30,112	30,982	31,995	33,045	34,132
% Financing Costs to Budget Requirement	3%	4%	5%	6%	7%

The estimates included above for interest payable on debt use the forecasts provided by the Treasury Management advisors, Link. These are as follows:

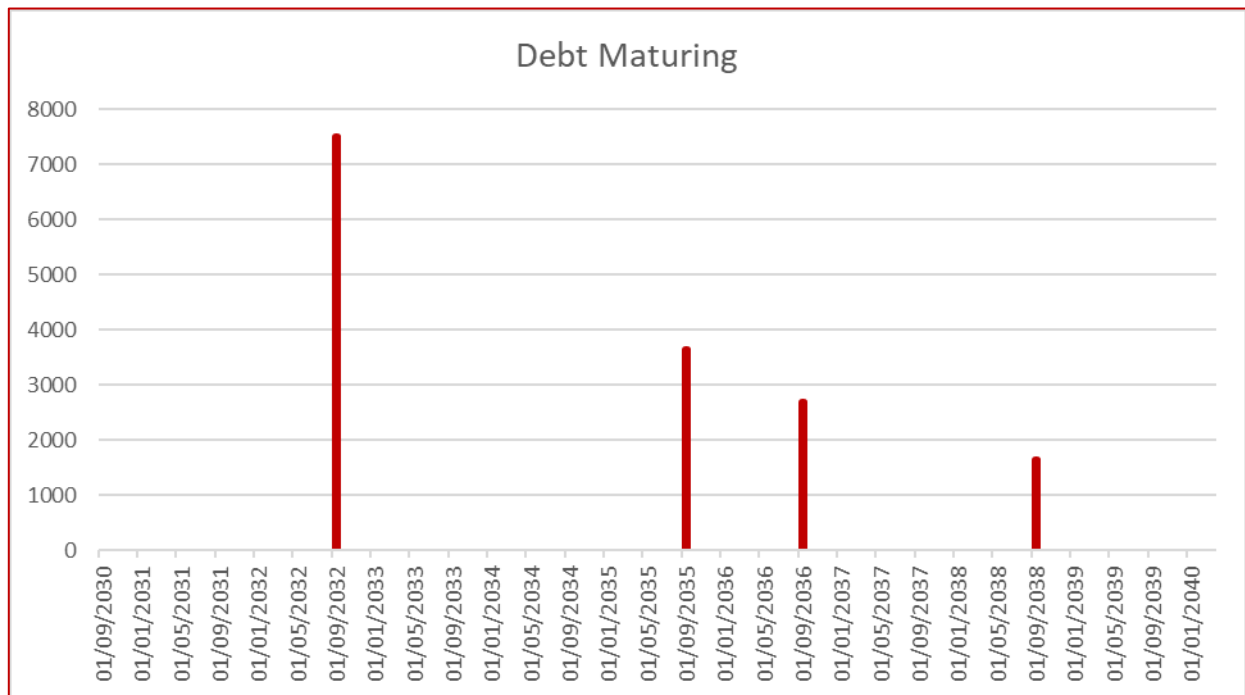
	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Forecast Borrowing Rate - 10 year debt	4.90%	4.50%	4.20%	4.10%	4.10%

The estimates for interest assume a 10-year borrowing life based on the potential average life of capital purchases, which are predominantly vehicles, equipment and ICT. Any debt that is required to be undertaken will be assessed with advice from the Treasury advisors as to the best maturity profile and affordability.

A 1% increase in forecast interest rates shown above would increase interest payments by:

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Additional Interest cost of 1% increase in rates	23	59	71	72	73

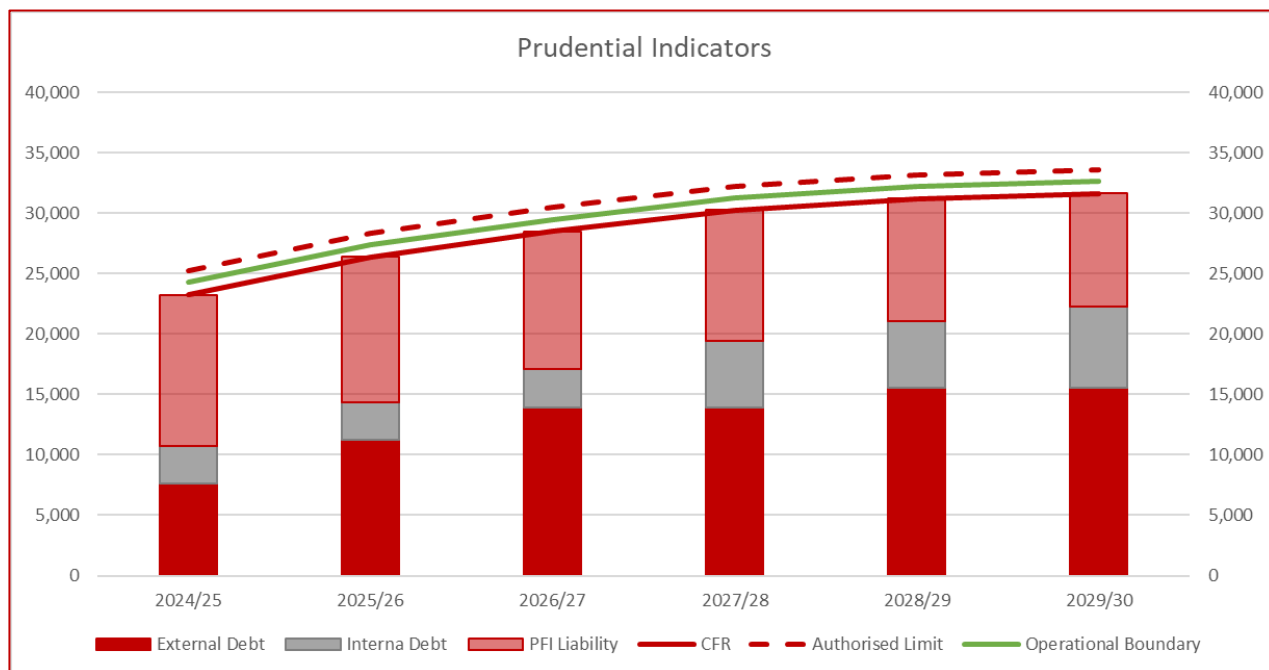
The repayment profile of the Service's actual and forecast external debt is as follows:



The following table shows the overall movement on external debt:

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
External Debt B/Fwd	7,586	11,227	13,920	13,920	15,565
New External Debt	3,641	2,693	0	1,645	0
External Debt C/Fwd	11,227	13,920	13,920	15,565	15,565

The graph below shows the forecast overall level of external debt compared to the Capital Financing Requirement (Borrowing requirement).



5.5 Authorised Limit and Operational Boundary

The Authorised Limit and Operational Boundary are set in line with the requirements of the Prudential Code and are included in the Treasury Management Strategy Statement and approved by the PFCC in February each year.

The Authorised Limit is consistent with the authority's current commitments, plans and proposals for capital expenditure and its financing. **However, the overall authorised limit should not be exceeded without prior approval.**

The operational boundary is based upon the same estimates as the authorised limit but without the headroom included within the authorised limit to allow for unusual cash movements. As with the authorised limit, the PFCC is asked to delegate authority to the Chief Finance Officer (s.151) to effect movement between the separately agreed limits for borrowing and other long-term liabilities. The operational boundary can be exceeded in exceptional circumstances without prior approval providing that it remains within the authorised limit.

The limits shown below have been reviewed during the budget process and adjusted in line with the projections for the CFR.

PRUDENTIAL INDICATOR TREASURY MANAGEMENT INDICATORS	2025/26 estimate £000	2026/27 estimate £000	2027/28 estimate £000	2028/29 estimate £000	2029/30 estimate £000
Authorised Limit for External Debt:					
- Borrowing	16,371	19,064	21,451	23,097	24,259
- Other Long Term Liabilities	11,988	11,410	10,784	10,104	9,368
TOTAL	28,359	30,474	32,235	33,201	33,627
Operational Boundary for external debt:					
- Borrowing	15,371	18,064	20,451	22,097	23,259
- Other Long Term Liabilities	11,988	11,410	10,784	10,104	9,368
TOTAL	27,359	29,474	31,235	32,201	32,627

6.0 Commercial Activity

The Service does not use its asset portfolio to operate in a commercial manner. It does not hold any investment property portfolio. Any commercial activity would require the Service to be compliant with the Prudential Code.

6.1 Prudential Code Considerations

- 6.1.1 The Prudential Code states, "Local authorities must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans. Under the Prudential Code, local authorities cannot borrow from the PWLB or any other lender for speculative purposes and must not use internal borrowing to temporarily support investments purely for yield."
- 6.2.2 Having any "commercial activity" could hinder wider PWLB borrowing to support the capital programme.
- 6.2.3 Local authorities are to be required to submit their high-level capital and financing plans to DLUHC and will be required to split these into the following categories to ensure that capital projects are not being used to buy investments for yield:
- Service Spending
 - Housing
 - Regeneration
 - Addressing economic or social market failure
 - Making a significant investment in the asset beyond its purchase price
 - Projects that generate significant additional activity that would not happen without the local authorities intervention
 - Rental income generated are recycled within the project or applied and related to regeneration projects rather than applied to wider services
 - Preventative Action
 - Prevents a negative outcome
 - No realistic prospect of support from a source other than the local authority
 - The local authority has an exit strategy
 - The intervention generates a balance sheet asset
 - Treasury Management

- 6.2.4 The guidance issued by HM Treasury states that assets bought primarily for yield would usually have one of the following characteristics:
- Buying land or existing buildings to let out at market rate
 - Buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification
 - Buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as the completion of land assembly.

7.0 Knowledge and Skills

- 7.1 The Service utilises the knowledge and skills of its internal officers when considering capital investment decisions and where necessary it also relies on the expert knowledge of specialist external advisors.
- 7.2 The Service employs professionally qualified finance officers who are able to offer advice and guidance when considering any capital investment decisions and obtains specialist legal and property advice from external partners.
- 7.3 **Finance**
Finance staff are professionally qualified to advise the Service on all financial aspects of capital decisions. Finance staff also undertake Continuous Professional Development. The Service could look into becoming accredited for CPD with CIPFA. They maintain knowledge and skills through regular technical updates from appropriate bodies.
- 7.4 **External Advice**
The Service uses external advisors where necessary in order to complement the knowledge its own officers hold. Some of these advisors are contracted on long term contracts or are appointed on an ad-hoc basis when necessary. The main advisors the Service uses are as follows:
- **Link Asset Services** – Treasury Management, including Cash investments, borrowing and capital financing

Appendix A – Full Detailed Capital Programme 2025/26 – 2034/35

Summary Capital Programme 2025/26 - 2034/35

	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £	2031/32 £	2032/33 £	2033/34 £	2034/35 £	Total £
Fleet - Appliances	1,820,000	1,870,000	1,110,000	1,400,000	1,220,000	990,000	870,000	870,000	990,000	1,050,000	12,190,000
Fleet - Other Vehicles	720,000	115,000	463,000	83,000	150,000	210,000	180,000	365,000	450,000	205,000	2,941,000
Estates	1,809,000	734,000	1,169,000	356,000	917,000	400,000	352,000	250,000	558,000	357,000	6,902,000
Equipment and PPE	591,000	501,000	548,500	988,500	364,000	307,500	229,000	246,000	224,500	224,500	4,224,500
ICT	389,100	400,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	3,589,100
Total	5,329,100	3,620,000	3,640,500	3,177,500	3,001,000	2,257,500	1,981,000	2,081,000	2,572,500	2,186,500	29,846,600

Estates Capital Programme – 2025/26 – 2034/35

Asset Name	Type of Work	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	TOTAL
		£	£	£	£	£	£	£	£	£	£	£
Coniston	Fire Station Renovation - internal improvements, welfare & equality	£45,000										£45,000
Windermere	Fire Station Renovation - internal improvements, welfare & equality	£50,000										£50,000
Longtown	Fire Station Renovation - internal improvements, welfare & equality	£60,000										£60,000
Kendal	General improvements - welfare/locker space	£300,000										£300,000
Silloth	Internal improvements	£60,000										£60,000
Grange	Internal improvements & security works. Metal work on tower	£45,000										£45,000
Alston	Internal improvements	£40,000										£40,000
Barrow		£125,000										£125,000
Whitehaven	Fire improvements and internal alterations to improve welfare	£132,000										£132,000
Alston	Mechanical Plant				£35,000							£35,000
Alston	Roof Replacement										£100,000	£100,000
Ambleside	Mechanical Plant & Tower repair					£60,000						£60,000
Ambleside	Roof Replacement										£100,000	£100,000
Appleby	Mechanical & Electrical			£24,000								£24,000
Arnside	External works Structures		£20,000									£20,000
Barrow	Mechanical Plant			£170,000								£170,000
Barrow	External works Structures		£80,000									£80,000
Barrow	Internal Works					£50,000						£50,000
Barrow	External works Structures					£82,000						£82,000
Barrow	Internal Works										£50,000	£50,000
Barrow	Mechanical & Electrical										£70,000	£70,000
Barrow	External works Structures										£37,000	£37,000
Brampton	Mechanical & Electrical	£40,000										£40,000
Brampton	Mechanical & Electrical					£17,000						£17,000
Brampton	External works Structures					£35,000						£35,000
Broughton in Furness	Mechanical & Electrical		£27,000									£27,000
Broughton in Furness	External works Structures						£60,000					£60,000
Cockermouth	Mechanical & Electrical		£50,000									£50,000
Egremont	Mechanical Plant		£20,000									£20,000
Egremont	External works Structures					£17,000						£17,000
Grange over Sands	Mechanical & Electrical		£50,000									£50,000
Grange over Sands	Internal Works							£60,000				£60,000
Grange over Sands	Tower Repair							£70,000				£70,000

Asset Name	Type of Work	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	TOTAL
		£	£	£	£	£	£	£	£	£	£	£
Kendal	Modelling changes	£125,000	£125,000									£250,000
Kendal	Internal Works	£135,000										£135,000
Kendal	Internal Works		£81,000									£81,000
Kendal	Internal Works							£112,000				£112,000
Kendal	Internal Works									£150,000		£150,000
Kendal	External works Structures				£50,000							£50,000
Kendal	Mechanical & Electrical					£171,000						£171,000
Kendal	External works Structures			£825,000								£825,000
Kendal	External works Structures				£196,000							£196,000
Kendal	External works Structures					£168,000						£168,000
Kendal	External works Structures									£215,000		£215,000
Keswick	Internal Works					£60,000						£60,000
Keswick	Mechanical & Electrical	£30,000										£30,000
Keswick	Mechanical & Electrical					£20,000						£20,000
Keswick	External works Structures								£150,000			£150,000
Kirkby Lonsdale	Mechanical & Electrical		£30,000									£30,000
Kirkby Lonsdale	External works Structures							£25,000				£25,000
Kirkby Stephen	External works Structures	£25,000										£25,000
Kirkby Stephen	Roof Replacement			£150,000								£150,000
Longtown	External works Structures							£20,000				£20,000
Maryport	Mechanical & Electrical	£70,000										£70,000
Maryport	Mechanical & Electrical					£50,000						£50,000
Maryport	Internal Works	£26,000										£26,000
Millom	Roof Replacement		£79,000									£79,000
Milnthorpe	Mechanical Plant					£35,000						£35,000
Seascale	Mechanical & Electrical						£60,000					£60,000
Seascale	External works Structures							£65,000				£65,000
Sedburgh	Internal Works		£22,000									£22,000
Sedburgh	Internal Works								£100,000			£100,000
Sedburgh	Mechanical & Electrical		£50,000									£50,000
Sedburgh	External works Structures		£100,000									£100,000
Shap	External works Structures						£120,000					£120,000
Shap	Mechanical & Electrical					£30,000						£30,000
Silloth	Mechanical & Electrical					£20,000						£20,000
Silloth	External works Structures									£193,000		£193,000
Stavely	Internal Works						£50,000					£50,000
Ulverston	Internal Works						£50,000					£50,000
Whitehaven	Mechanical & Electrical				£50,000							£50,000
Whitehaven	External works Structures						£60,000					£60,000
Wigton	External works Structures					£32,000						£32,000
Windermere	Mechanical & Electrical					£70,000						£70,000
Training Dept - Fire House		£500,000										£500,000
TOTAL		£1,808,000	£734,000	£1,169,000	£356,000	£917,000	£400,000	£352,000	£250,000	£558,000	£357,000	£6,901,000

Fleet Capital Programme – 2025/26 – 2034/35

Vehicle		Vehicle reg												
Category	Vehicle type		2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	2034/	TOT	
			£	£	£	£	£	£	£	£	£	£	£	
Appliance	Volvo Fire Appliance	PO55BUA	330,000										330,000	
Appliance	Volvo Fire Appliance	PO55BUJ	330,000										330,000	
Appliance	Volvo Fire Appliance	PX08CDE	100,000	190,000									290,000	
Appliance	Volvo Fire Appliance	PX08CDY	100,000	190,000									290,000	
Appliance	Volvo Fire Appliance	PX08CDZ	100,000	190,000									290,000	
Appliance	Volvo Fire Appliance	PX09EDF	100,000	190,000									290,000	
Appliance	Volvo Fire Appliance	PX09EDJ	100,000	190,000									290,000	
Appliance	Volvo Fire Appliance	PX09EDK	100,000	190,000									290,000	
Appliance	Volvo Fire Appliance	PX09EDL	100,000	190,000									290,000	
Appliance	Mercedes Fire Appliance	PX60AXK	100,000	190,000									290,000	
Appliance	Mercedes Fire Appliance	PX11AFE	100,000	190,000									290,000	
Appliance	Mercedes Fire Appliance	PX11AFF			290,000								290,000	
Appliance	Mercedes Fire Appliance	PX11AFK			290,000								290,000	
Appliance	Mercedes Fire Appliance	PX11AFN			290,000								290,000	
Appliance	Mercedes Fire Appliance	PX11AFO				290,000							290,000	
Appliance	Volvo Fire Appliance	KX12WBY				330,000							330,000	
Appliance	Volvo Fire Appliance	KY12VGL				330,000							330,000	
Appliance	Volvo Fire Appliance	KR63MXZ					330,000						330,000	
Appliance	Volvo Fire Appliance	KR63YVV					330,000						330,000	
Appliance	Volvo Fire Appliance	KR63YVW					330,000						330,000	
Appliance	Volvo Fire Appliance	NK67LLV						330,000					330,000	
Appliance	Volvo Fire Appliance	NK67LLW						330,000					330,000	
Appliance	Volvo Fire Appliance	NK67LLX						330,000					330,000	
Appliance	Volvo Fire Appliance	NK67LLZ							290,000				290,000	
Appliance	Volvo Fire Appliance	NK67LME							290,000				290,000	
Appliance	Volvo Fire Appliance	NK67LMF							290,000				290,000	
Appliance	Volvo Fire Appliance	NK68WRG								290,000			290,000	
Appliance	Volvo Fire Appliance	NK68WRJ								290,000			290,000	
Appliance	Volvo Fire Appliance	NJ19ETX								290,000			290,000	
Appliance	Volvo Fire Appliance	NJ19ETY									330,000		330,000	
Appliance	Volvo Fire Appliance	NJ19ETZ									330,000		330,000	
Appliance	Volvo Fire Appliance	NJ71FPC									330,000		330,000	
Appliance	Volvo Fire Appliance	NJ71FPD										330,000	330,000	
Appliance	Volvo Fire Appliance	NJ71FPE										330,000	330,000	
Appliance	Volvo Fire Appliance	NJ71FPF										330,000	330,000	
Other	ISUZU D-MAX RRV	PX68TVF				50,000							50,000	
Other	ISUZU D-MAX RRV	PY68RHE				50,000							50,000	
Other	ISUZU D-MAX RRV	PY68RJJ				50,000							50,000	

Vehicle Category	Vehicle type	Vehicle reg	Vehicle reg											TOT
			2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	2034/		
			£	£	£	£	£	£	£	£	£	£	£	
Special	IVECO Van	PX07BCO	130,000										130,000	
Special	IVECO Van	PX57AHP	130,000										130,000	
Special	LAND ROVER 130 DOUBLE CAB PICK	PX57ETF		40,000									40,000	
Special	LAND ROVER 130 DOUBLE CAB PICK	PX57ETK		40,000									40,000	
Special	LAND ROVER 130 DOUBLE CAB PICK	PX57ETL		40,000									40,000	
Special	LAND ROVER 130 DOUBLE CAB PICK	PX57ETO		40,000									40,000	
Special	Volvo	PX57FBD					230,000						230,000	
Special	IVECO DAILY	MX08ASO			100,000								100,000	
Special	IVECO DAILY	MX08SXL			100,000								100,000	
Special	DAF	PX63 ENN			0	300,000							300,000	
Special	ArgoCat ATV	n/a										15,000	15,000	
Special	ArgoCat ATV	n/a										15,000	15,000	
Special	Kawazaki Mule	n/a										15,000	15,000	
Special	Kawazaki Mule	n/a										15,000	15,000	
Special	Ford Rangers pick up	PY73FBK								30,000			30,000	
Special	Ford Rangers pick up	PY73FDC								30,000			30,000	
Other	mitsubishi L200 4x4 pickup utility vehicle	PX62VLH	30,000							30,000			60,000	
Other	MITSUBISHI L200 4X4 PICKUP UTILITY VEHICLE	PX62VLJ	30,000							30,000			60,000	
Other	Renault Master 14st Minibus	BX62CXM			40,000								40,000	
Other	MITSUBISHI L200 4X4 PICKUP UTILITY VEHICLE	PX64PXF	30,000							30,000			60,000	
Other	MITSUBISHI L200 CHALLENGER LC DCB D1-D4X4	PX15OCN	30,000							30,000			60,000	
Other	MITSUBISHI L200 CHALLENGER LC DCB DI-D4X4	PX15OCG	30,000							30,000			60,000	
Other	MITSUBISHI L200 CHALLENGER LC DCB DI-D4X4	PX15OCL	30,000							30,000			60,000	
Other	MITSUBISHI L200 TITAN 178 DCB DI-D4X4	PX65URY	30,000							30,000			60,000	
Other	MITSUBISHI L200 TITAN 178 DCB DI-D4X4	PX65URZ	30,000							30,000			60,000	
Other	MITSUBISHI L200 TITAN 178 DCB DI-D4X4	PX65YZT	30,000							30,000			60,000	
Other	PEUGEOT EXPERT S 1.6 BHDI 115	PX66BBO				30,000							30,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BVF		23,000								23,000	46,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BVS		23,000								23,000	46,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BVT		23,000								23,000	46,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BVU		23,000								23,000	46,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BVV		23,000								23,000	46,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BVW			23,000								23,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BVY			23,000								23,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BVZ			23,000								23,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BWA			23,000								23,000	
Other	PEUGEOT PARTNER C/VAN HDI 92	PX16BWB			23,000								23,000	
Other	FORD FIESTA 1.5 TDCI ECONETIC VAN	MA17UVR			23,000								23,000	
Other	FORD FIESTA 1.5 TDCI ECONETIC VAN	MA17UVT			23,000								23,000	
Other	FORD FIESTA 1.5 TDCI ECONETIC VAN	MA17UVV			23,000								23,000	
Other	PEUGEOT EXPERT PROFESSIONAL BLUEHDI 115 1000KG	PX68WXL				30,000							30,000	
Other	PEUGEOT PARTNER 1000 1.6 BLUEHDI PROFESSIONAL VAN	PY68BNA				23,000							23,000	
Other	ISUZU D-MAX 1.9 DL40 AUTOMATIC DOUBLE CAB PICK UP	PX21OHB						30,000					30,000	

Vehicle Category	Vehicle type	Vehicle reg	Vehicle reg											TOTAL
			2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	2034/		
			£	£	£	£	£	£	£	£	£	£	£	
Other	Peugeot van	BP21EUU			23,000								30,000	53,000
Other	Peugeot van	BP21SVL			23,000								30,000	53,000
Other	Peugeot van	BP21WZW			23,000								30,000	53,000
Other	SKODA KODIAQ 2.0TDI	LF21VKL	30,000									30,000		60,000
Other	FORD TRANSIT CUSTOM 1.0 FOX LIMITED PHEV	EK72LCC								35,000				35,000
Other	Ford Rangers pick up	PY73FDD						30,000						30,000
Other	Ford Rangers pick up	PY73HUU						30,000						30,000
Other	Skoda Karoq 2.0 SE L TDI SCR 4X4 S-A	PX24OLP							30,000					30,000
Other	Skoda Karoq 2.0 SE L TDI SCR 4X4 S-A	PX24OLW							30,000					30,000
Other	Skoda Karoq 2.0 SE L TDI SCR 4X4 S-A	PX24OPG							30,000					30,000
Other	Skoda Karoq 2.0 SE L TDI SCR 4X4 S-A	PX24OPR							30,000					30,000
Other	Skoda Karoq 2.0 SE L TDI SCR 4X4 S-A	PX24OPZ							30,000					30,000
Other	Skoda Karoq 2.0 SE L TDI SCR 4X4 S-A	PX24OSO							30,000					30,000
Other	Skoda Octavia Scout Estate 2.0TDI 150 4X4	PK16MHU	30,000									30,000		60,000
Other	SKODA OCTAVIA SCOUT ESTATE 2.0TDI 150 4X4	PX16MHM	30,000									30,000		60,000
Other	SKODA OCTAVIA SCOUT ESTATE 2.0TDI 150 4X4	PX16MHN	30,000									30,000		60,000
Other	SKODA OCTAVIA SCOUT ESTATE 2.0TDI 150 4X4	PX16MHO	30,000									30,000		60,000
Other	SKODA OCTAVIA SCOUT ESTATE 2.0TDI 150 4X4	PX16MHU	30,000									30,000		60,000
Other	SKODA OCTAVIA SCOUT ESTATE 2.0TDI 150 4X4	PX16MHV	30,000									30,000		60,000
Other	SKODA OCTAVIA SCOUT ESTATE 2.0TDI 150 4X4	PX16MHY	30,000									30,000		60,000
Other	LAND ROVER DISCOVERY SPORT 2.0TD4 SE 150	BT68JWF	30,000									30,000		60,000
Other	LAND ROVER DISCOVERY SPORT 2.0TD4 SE 150	BG68MKA	30,000									30,000		60,000
Other	LAND ROVER DISCOVERY SPORT 2.0TD4 SE 150	BT68JVA	30,000									30,000		60,000
Other	LAND ROVER DISCOVERY SPORT 2.0TD4 SE 150	BT68JVR	30,000									30,000		60,000
Other	LAND ROVER DISCOVERY SPORT 2.0TD4 SE 150	BT68JVV	30,000									30,000		60,000
Other	LAND ROVER DISCOVERY SPORT 2.0TD4 SE 5DR 150	BT68JVJ	30,000									30,000		60,000
Other	LAND ROVER DISCOVERY SPORT 2.0TD4 SE TECH 180AUT	BT68JVG	30,000									30,000		60,000
Other	FORD FOCUS 1.5 ECO BLUE ZETEC ESTATE RACE RED	EF19XBT			30,000									30,000
Other	FORD FOCUS 1.5 ECO BLUE ZETEC ESTATE RACE RED	EF19XBV			30,000									30,000
Other	FORD FOCUS 1.5 ECO BLUE ZETEC ESTATE RACE RED	EF19XBW			30,000									30,000
Other	FORD FOCUS 1.5 ECO BLUE ZETEC ESTATE RACE RED	EF19XBX			30,000									30,000
Other	FORD FOCUS 1.5 ECO BLUE ZETEC ESTATE RACE RED	EF19XBY			30,000									30,000
Other	FORD FOCUS 1.5 ECO BLUE ZETEC ESTATE RACE RED	EY19BXF			30,000									30,000
Other	SKODA KODIAQ 2.0TDI SE L 190 4X4 DSG	PY19VFL			30,000									30,000
Other	SKODA KAROQ 2.0TDI SE L 150PS 4X4 DSG	PX22OSW						30,000						30,000
Other	SKODA KAROQ 2.0TDI SE L 150PS 4X4 DSG	PX22OTN						30,000						30,000
Other	VOLVO XC60	KN72WKF						30,000						30,000
Other	VOLVO XC60	KP72EFK						30,000						30,000
Other	VOLVO XC60	KX72JCU						30,000						30,000
Other	Volvo XC60 white	KM73UEL							30,000					30,000
Other	Volvo XC60 white	KM73UZS							30,000					30,000
Other	Volvo XC60 white	KR73MLZ							30,000					30,000
Other	Volvo XC60 white	KR73MMJ							30,000					30,000
TOTAL			2,540,000	1,985,000	1,573,000	1,483,000	1,370,000	1,200,000	1,050,000	1,235,000	1,440,000	1,255,000	15,131,000	

ICT Capital Programme – 2025/26 – 2034/35

Replacement / New Equipment Description											
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
	£	£	£	£	£	£	£	£	£	£	£
Upgrade to PSTN lines due to discontinuation from BT	98,000										98,000
Tablet Project (including FSG Laptops)	70,500										70,500
General Allowance				350,000	350,000	350,000	350,000	350,000	350,000	350,000	2,450,000
Gateway = messages to MDTs	50,000										50,000
Windows 11 - general devices (not laptops)	14,000										14,000
Windows 11 - New MDT		350,000									350,000
Firewall Hardware	6,600										6,600
Network replacement - Wide Area Network	100,000										100,000
Misc ICT equipment (replacements etc)	50,000	50,000	50,000								150,000
Network switches and Wifi 2028			100,000								100,000
Station end equipment			200,000								200,000
Total	389,100	400,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	3,589,100

Equipment & PPE Capital Programme – 2025/26 – 2034/35

Replacement / New Equipment Description											
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total
	£	£	£	£	£	£	£	£	£	£	£
JICU / IC replacement programme (ICT and fixtures)			240,000								240,000
Enhanced Rescue Unit Equipment (IVECO)	80,000										80,000
Type B appliance fit out and equipment	80,000	361,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,401,000
Water Rescue PPE Replacement Program	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Fire Helmets (all replaced every 10 yrs)			70,000								70,000
Structural Fire Kit	200,000										200,000
BA Sets, cylinders and ancillary equipment				750,000							750,000
Chemical protective clothing - 2 types, 10 year replacement					118,000	48,000					166,000
Working at Height Replacement Program	35,000				0	35,000				0	70,000
TIC Replacement Program	15,000	15,000	15,000	15,000	15,000	15,000	1,500	15,000	15,000	15,000	136,500
General allowance for growth / unexpected capital costs	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000
Ladders	41,000										41,000
Defibrillators (Response Stock)	15,000	15,000	15,000	15,000	1,000	1,000	1,000	1,000	1,000	1,000	66,000
Air Bag replacement programme	30,000	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	151,500
Hose Inflation Equipment (pushed back a year)	20,000									0	20,000
BA Compressors replacement program		15,000			15,000			15,000			45,000
Gas monitoring equipment		6,500			6,500		18,000	6,500			37,500
Total	591,000	501,000	548,500	988,500	364,000	307,500	229,000	246,000	224,500	224,500	4,224,500