



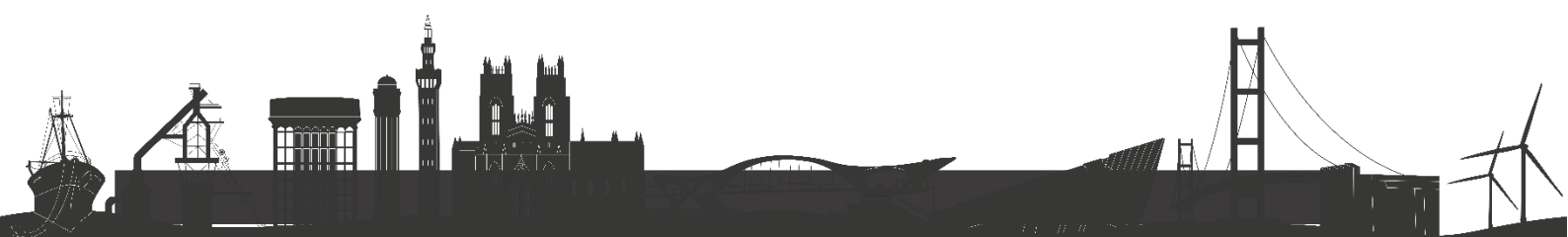
**HUMBERSIDE**  
Fire & Rescue Service

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# QUARTERLY FINANCE AND PROCUREMENT UPDATE

For the period ending 30<sup>th</sup> June 2024

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Safer communities, safer firefighters

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# Finance

## Revenue

The table below shows the actual and committed expenditure as at 30<sup>th</sup> June 2024 for revenue, compared to the 2024/25 profiled budget for the same period. The table also shows the forecasted outturn for the full year based on current levels of income and expenditure plus any known variances to the end of the financial year.

2024/25 Revenue Monitoring Summary 1 April 2024 to 30th June 2024 (Period 3)									
	Original Budget £'000	Revised Budget £'000	30 June 2024		Full Year			Status	Notes
			Profiled Budget £'000	Actual and Committed £'000	Projection £'000	Variance £'000 %			
Pay	48,748	48,748	11,654	11,203	48,599	(149)	(0.31)	Green	1-2
Non Pay	10,089	10,089	3,303	3,276	10,089	-	-	Green	
Income	(3,548)	(3,548)	(2,480)	(2,481)	(3,548)	-	-	Green	
Interest Receivable	(250)	(250)	(63)	(220)	(400)	(150)	60.00	Green	3
Capital Financing	3,077	3,077	128	128	3,077	-	-	Green	
Transfers to / (from) Reserves	(34)	(34)	-	-	(34)	-	-	Green	
<b>Net Budget Requirement</b>	<b>58,082</b>	<b>58,082</b>	<b>12,542</b>	<b>11,906</b>	<b>57,783</b>	<b>(299)</b>	<b>(0.51)</b>	<b>Green</b>	

## Notes

The following details the reasons for the projected variances that are shown in the table above:

1. This projected variance is due to:
  - a. lower employer contributions into the Firefighters' Pension Scheme due to staff that aren't in the scheme; and
  - b. lower rates of pay due to the split between trainee, development and competent rates of pay.
  
2. This projected variance is due to:
  - a. lower employer contributions into the Local Government Pension Scheme due to staff that aren't in the scheme; and
  - b. an actual vacancy factor of 7.10% for the first quarter compared to a budgeted annual assumption of 3.00%.  
The above underspends are offset by:
  - c. the latest pay offer for 2024/25 has been rejected by one of the trade unions. It is expected that the agreed pay award will be higher than the budgeted 4%.
  
3. A higher rate of interest on our investments and higher cash balances have created this projected variance.

The table below shows a further breakdown of the data that is shown in the table on page 3:

2024/25 Revenue Monitoring Detail									
1 April 2024 to 30th June 2024 (Period 3)									
	Original Budget £'000	Revised Budget £'000	30 June 2024		Full Year			Status	Note
			Profiled Budget £'000	Actual and Committed £'000	Projection £'000	Variance £'000 %			
<b>Employees</b>									
Wholetime Firefighters	31,528	31,528	7,752	7,525	31,322	(206)	(0.65)	Green	1
On-Call Firefighters	6,090	6,090	1,316	1,305	6,090	-	-	Green	
Non-Uniformed	9,076	9,076	2,269	2,064	9,133	57	0.63	Red	2
Other Employee Expenses (Training, Occ Health, Insurances etc.)	2,054	2,054	317	309	2,054	-	-	Green	
<b>Total Pay and Pensions</b>	<b>48,748</b>	<b>48,748</b>	<b>11,654</b>	<b>11,203</b>	<b>48,599</b>	<b>(149)</b>	<b>(0.31)</b>	<b>Green</b>	
<b>Non Pay Expenditure</b>									
Premises	3,832	3,832	1,668	1,693	3,832	-	-	Green	
Transport	1,953	1,953	488	438	1,953	-	-	Green	
Supplies and Services	4,259	4,238	1,065	1,078	4,238	-	-	Green	
Support Services	330	330	82	67	330	-	-	Green	
Non Pay Efficiency Savings	(285)	(264)	-	-	(264)	-	-	Green	
<b>Total Expenditure</b>	<b>58,837</b>	<b>58,837</b>	<b>14,957</b>	<b>14,479</b>	<b>58,688</b>	<b>(149)</b>	<b>(0.25)</b>	<b>Green</b>	
<b>Income</b>	<b>(3,548)</b>	<b>(3,548)</b>	<b>(2,480)</b>	<b>(2,481)</b>	<b>(3,548)</b>	-	-	<b>Green</b>	
<b>Net Expenditure (Excluding Capital Charges)</b>	<b>55,289</b>	<b>55,289</b>	<b>12,477</b>	<b>11,998</b>	<b>55,140</b>	<b>(149)</b>	<b>(0.27)</b>	<b>Green</b>	
<b>Interest Payable</b>	614	614	128	128	614	-	-	Green	
<b>Interest Receivable</b>	(250)	(250)	(63)	(220)	(400)	(150)	60.00	Green	3
<b>Capital Financing</b>	2,463	2,463	-	-	2,463	-	-	Green	
<b>Transfers to / (from) Reserves</b>	(34)	(34)	-	-	(34)	-	-	Green	
<b>Net Budget Requirement</b>	<b>58,082</b>	<b>58,082</b>	<b>12,542</b>	<b>11,906</b>	<b>57,783</b>	<b>(299)</b>	<b>(0.51)</b>	<b>Green</b>	

## Non-Pay Efficiency Savings

The National Fire Chiefs Council (NFCC) and the Local Government Association (LGA) have proposed that across Fire and Rescue Services (FRS) in England, the sector could create 2% non-pay efficiency savings whilst increasing productivity by 3%.

FRS's are required to produce an annual Productivity and Efficiency Plan which provides detail of the efficiency and productivity progress against the national goals. The 2024/25 Productivity and Efficiency Plan for Humberside can be found [here](#).

The finance team work closely with budget holders to identify and monitor any efficiencies that arise within their area of responsibility.

The table below shows the efficiencies that have been identified in the year to date compared to the efficiency target of £285k which was included when setting a balanced budget for 2024/25:

Non-Pay Efficiency Savings 1 April 2024 to 30th June 2024 (Period 3)		
Efficiency	Amount £'000	Detail
IT Contracts	21	A review of IT contracts has generated an efficiency saving.
<b>Total Efficiency Savings Identified</b>	<b>21</b>	
Non Pay Budget (as per Productivity and Efficiency Plan)	10,972	
Efficiency Target (£'000)	285	
Efficiency Target (%)	2.60%	

The finance team will continue to work with budget holders throughout the year to drive efficiencies within the Service.

## Capital

The table below shows the actual and committed expenditure as at 30<sup>th</sup> June 2024 for Capital, compared to the 2024/25 profiled budget for the same period. The table also shows the forecasted outturn for the full year based on current levels of expenditure plus any know variances to the end of the financial year.

2024/25 Capital Monitoring Summary 1 April 2024 to 30th June 2024 (Period 3)									
	Original Budget £'000	Revised Budget * £'000	30 June 2024		Full Year			Status	Note
			Profiled Budget £'000	Actual and Committed £'000	Projection £'000	Variance £'000 %			
<b>Building Works</b>									
New Station Builds	1,200	1,200	300	1	1,200	-	-	Green	
Training Infrastructure	500	606	152	-	606	-	-	Green	
Station Refurbishments	1,468	2,066	520	120	2,066	-	-	Green	
Electrical Vehicle Charging Infrastructure	60	120	30	-	120	-	-	Green	
	<b>3,228</b>	<b>3,992</b>	<b>1,002</b>	<b>121</b>	<b>3,992</b>	-	-		
<b>Vehicles</b>									
Operational Vehicles	980	2,530	633	652	2,530	-	-	Green	
Support Vehicles	156	1,133	283	54	1,133	-	-	Green	
	<b>1,136</b>	<b>3,663</b>	<b>916</b>	<b>706</b>	<b>3,663</b>	-	-		
<b>Equipment</b>	800	1,414	354	3	1,414	-	-	Green	
<b>ICT Equipment</b>	450	582	146	57	582	-	-	Green	
<b>Breathing Apparatus</b>	-	1,270	318	-	1,270	-	-	Green	
	<b>5,614</b>	<b>10,921</b>	<b>2,736</b>	<b>887</b>	<b>10,921</b>	-	-		

\*The revised budget includes slippage from 2023/24 which will be taken to the Fire Authority in July for formal approval.

## Firefighters' Pension Fund

The Firefighters' Pension Fund is administered by each Fire and Rescue Service with any deficit on the fund being met with a top-up grant by the Home Office. The grant will be received in July of this year which covers 80% of the estimated deficit for the year plus the balancing amount of the previous year.

The revised budgeted deficit for 2024/25 is £16.404 which is broken down in the following table:

2024/25 Pensions Account Summary								
1 April 2024 to 30th June 2024 (Period 3)								
	Revised Budget	30 June 2024		Full Year			Status	Note
		Profiled Budget	Actual and Committed	Projection	Variance			
	£'000	£'000	£'000	£'000	£'000	%		
<b>Expenditure</b>								
Payments to Pensioners	22,081	7,110	7,081	22,081	-	-	Green	
Commutations	4,968	1,242	1,472	4,968	-	-	Green	
Transfer Values	100	25	-	100	-	-	Green	
<b>Total Pensions Expenditure</b>	<b>27,149</b>	<b>8,377</b>	<b>8,553</b>	<b>27,149</b>	<b>-</b>			
<b>Income</b>								
Employer Pension Contributions	(7,790)	(1,948)	(1,940)	(7,790)	-	-	Green	
Employee Pension Contributions	(2,740)	(685)	(670)	(2,740)	-	-	Green	
Ill Health Pension Contributions	(115)	(29)	-	(115)	-	-	Green	
Transfer Values	(100)	(25)	-	(100)	-	-	Green	
<b>Total Pensions Income</b>	<b>(10,745)</b>	<b>(2,687)</b>	<b>(2,610)</b>	<b>(10,745)</b>	<b>-</b>			
<b>Net Pensions Deficit/(Surplus)</b>	<b>16,404</b>	<b>5,690</b>	<b>5,943</b>	<b>16,404</b>	<b>-</b>			

## Investments and Borrowing

The Authority must ensure that:

- its cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low-risk appetite, providing liquidity initially before considering investment return.
- It understands its borrowing need in terms of funding its capital plans. This management of longer-term cash may involve arranging long or short-term borrowing.

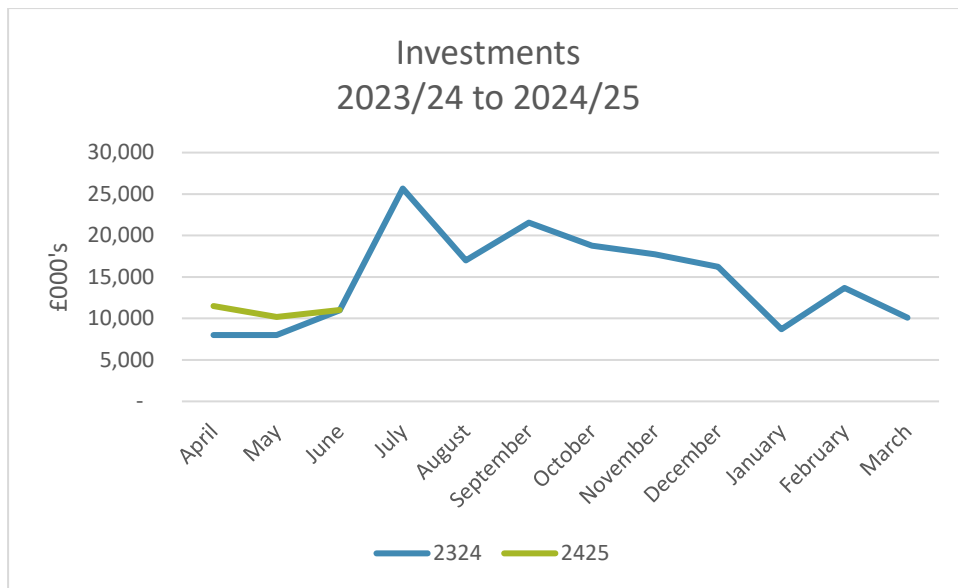
### Investments

This statement shows the level of investments that the Service holds as at 30<sup>th</sup> June 2024 as well as the investments that have been returned during the period:

2024/25 Investing Activities 1 April 2024 to 30th June 2024						
Counterparty	Amount (£)		Date		Rate %	Interest (£)
	Invested	Returned	Invested	Returned		
<b>Money Market Funds</b>						
Deutsche Managed Sterling Fund	-					
Aberdeen Liquidity Fund	1,510,000					
Goldman Sachs Liquid Reserve Fund	-					
<b>Investments</b>						
<b>Current Investments</b>						
Hull City Council	2,000,000	-	04/04/2024	04/07/2024	5.30	26,427.40
Blackpool Council	2,000,000	-	09/04/2024	09/07/2024	5.25	26,178.08
Kirklees Council	2,000,000	-	10/04/2024	10/07/2024	5.25	26,178.08
Bank of Scotland	1,500,000	-	21/06/2024	23/09/2024	5.22	20,164.93
Cheltenham Borough Council	1,000,000	-	21/06/2024	23/12/2024	5.08	25,747.95
Cornwall Council	1,000,000	-	24/06/2024	08/01/2025	5.07	27,503.01
<b>Total Amount Invested as at 30 June 2024</b>	<b>11,010,000</b>		<b>Total Interest Due on Current Investments</b>			<b>152,199.45</b>
<b>Investments Returned During the Period</b>						
Hull City Council	2,000,000	2,000,000	04/03/2024	04/04/2024	6.00	10,191.78
London Borough of Newham	2,000,000	2,000,000	20/12/2023	05/04/2024	5.50	32,246.58
DMO	1,700,000	1,700,000	05/04/2024	09/04/2024	5.19	966.90
Cheltenham BC	2,000,000	2,000,000	10/01/2024	10/04/2024	5.45	27,175.34
City of Bradford MDC	1,000,000	1,000,000	15/01/2024	15/05/2024	5.50	18,232.88
BOS	1,500,000	1,500,000	21/05/2024	21/06/2024	5.30	6,752.05
<b>Total Amount Returned During the Period</b>	<b>10,200,000</b>		<b>Total Interest Received During the Period</b>			<b>95,565.53</b>
<b>Summary of Interest Receipts</b>						
	Budget	Actual & Due	Under/(Over)			
	£	£	£	%		
Interest Receipts to 30 June 2024	62,500	220,258	(157,758)	(252.41)		



The following graph shows our level of investments during the year to date compared to the previous financial year:

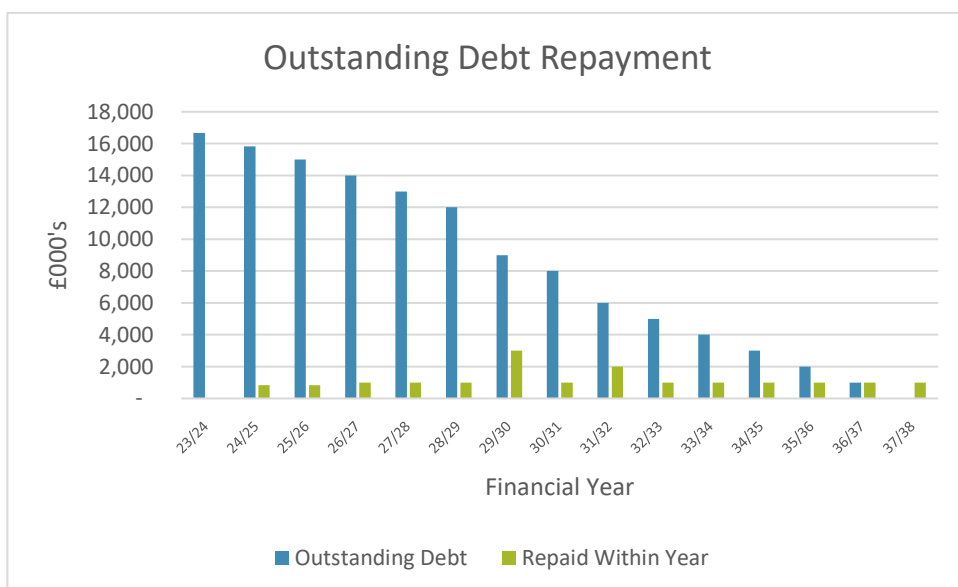


The Authority receives the Firefighters Pension Fund grant in July of each year which allows a higher level of investments to be held until the grant is fully utilised.

### Borrowing

The current level of borrowing that the Service holds as at 30<sup>th</sup> June 2024 is £16.9m.

The graph below shows the level of borrowing that the Authority currently holds at the end of each financial year and how this reduces over time as the debt matures:



There hasn't been any long-term borrowing taken during the year to date but this will be closely monitored by the S.151 Officer.

## Reserves

The Authority retains a number of revenue reserves that can be used to fund expenditure.

The table below shows the movement on these reserves for the period 1st April 2024 to 30<sup>th</sup> June 2024 and also what the projected balance will be as at 31<sup>st</sup> March 2025 based on the projections in Revenue Monitoring table that can be found on page 3:

2024/25 Movement in Reserves 1 April 2024 to 30th June 2024 (Period 3)			
	As at 1 April 2024	In Year Movements	Projected Balance as at 31 March 2025
	£'000	£'000	£'000
<b>General Reserve</b>	6,000	265	6,265
<b>Earmarked Reserves</b>			
Insurance	500		500
National Flood Resilience	1,000		1,000
Capital Programme	4,735		4,735
Business Continuity	500		500
ESMCP	215		215
Grenfell and Protection	10	(10)	-
East Coast & Hertfordshire Control Room Consortium	1,000		1,000
Pay and Prices	600		600
Strategic Transformation Fund	500		500
Environmental	30		30
	<b>15,090</b>	<b>255</b>	<b>15,345</b>

## Budget Virements

The following budget virements have been processed during the period to 30<sup>th</sup> June 2024:

2024/25 Contracts Awarded Outside of Constitution 1 April 2024 to 30th June 2024			
Budget Vired From	Budget Vired To	Detail of Budget Virement	Virement Value £'000
Supplies and Services	Non-Pay Efficiency Savings	Identification of Non-Pay Efficiency savings (See Efficiency section on page 5)	21

# Procurement

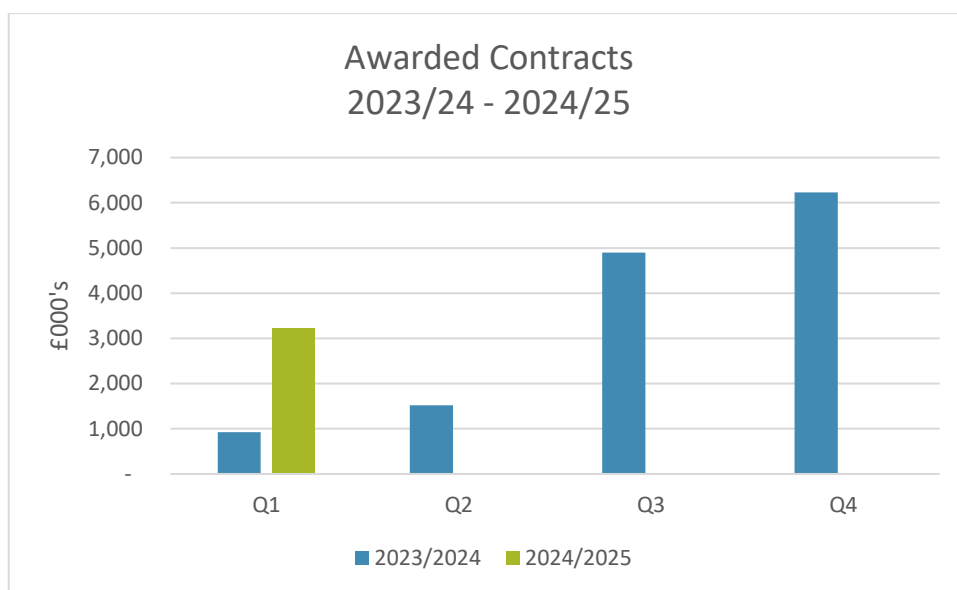
## Contracts

### Contracts Awarded

The table below shows the contracts that have been awarded during the quarter to 30<sup>th</sup> June 2024:

2024/25 Contracts Awarded 1 April 2024 to 30th June 2024			
Contract Title	Contract Start Date	Contract End Date	Contract Value £'000
SCBA Replacement	01/05/2024	30/04/2029	1,900
Aerial Appliance	13/05/2024	31/05/2025	799
Retrofitting of 4 appliances to 'Clean Cab'	01/04/2024	31/03/2025	145
MDT Software Maintenance and Support	01/05/2024	30/04/2025	39
ESRI Annual Maintenance 24/25	01/05/2024	30/04/2025	29
Conference Room Multi Media Refurb	03/06/2024	02/06/2025	29
Treasury Management Services	01/04/2024	31/03/2027	28
Secretariat Services	01/04/2024	31/03/2025	26
Insurance Brokerage	01/04/2024	31/03/2027	23
Holik FF Gloves x360	29/04/2024	31/05/2024	21
Tranman Fleet	01/05/2024	30/04/2025	18
Franking Machine	01/06/2024	31/05/2030	18
CIPFA Publications and Stats	01/04/2024	31/03/2027	17
Chemdata Annual License, Maintenance and Support	01/04/2024	31/03/2025	16
Cadet Uniform	01/04/2024	31/03/2026	15
Gas Tight Suits	01/04/2024	31/05/2024	11
Executive Leadership Course	24/06/2024	01/05/2025	11
On-Line Training Knowledge Database Licenses & Support	01/04/2024	31/03/2025	10
Cadet Helmets	01/05/2024	30/06/2024	9
Barbour Subscription Service	01/04/2024	31/03/2025	8
NFRC Subsidy Control Roadmap - Legal Advice	26/04/2024	25/04/2025	8
Fire Hoods x400	29/04/2024	31/05/2024	7
SRTA-W & SRTI Open Autumn 2024	01/06/2024	31/12/2024	7
Telecom Management Fees 24-25	01/04/2024	31/03/2025	6
New Laptops for Training Dept	31/05/2024	30/06/2024	6
Leadership and Management Behaviour Change	11/06/2024	20/06/2024	6
Airwave Radio Recharge Costs	01/04/2024	31/03/2025	5
Working at Height Platform	05/04/2024	04/07/2024	5
Livery works x2 – 1 new & 1 refresh	27/06/2024	31/07/2024	5
<b>Total Amount of Contracts Awarded Within The Period</b>			<b>3,227</b>

The graph below shows the cumulative value of contracts that have been awarded in 2024/25 to date as well as in the previous financial year:



### Contract Management

A review of the Services contracts has been undertaken using a supplier segmentation and analysis tool which is used to identify the risk to Service. The following contracts have been identified as having the highest strategic importance rating:

2024/25 Contract Management High Strategic Risk Rating			
Service Area	Contract Title	Contract Start Date	Contract End Date
Digital Services	Maintenance of the Alcatel Phone System	30/11/2018	30/11/2024
Emergency Preparedness	SAN J Swap	05/03/2024	31/12/2024
Fleet and Estates	Firefighter Helmets	15/12/2021	31/12/2024
Digital Services	Mobile Voice and Data	03/02/2022	02/02/2025
Finance	Financial Management System	01/04/2008	31/03/2025
Fleet and Estates	Aerial Appliance	13/05/2024	31/05/2025
Digital Services	Station end equipment – Annual Maintenance	01/07/2024	30/06/2025
Emergency Preparedness	Fire Investigation Dogs	01/08/2023	31/07/2025
Fleet and Estates	Laundry and Aftercare Services	01/08/2021	31/07/2025
Fleet and Estates	Fire Appliances	01/11/2023	31/10/2025
Digital Services	Airwave Services	01/11/2006	31/10/2025
Fleet and Estates	Allstar Fuel Cards	22/03/2024	21/03/2026
Fleet and Estates	Supply of Liquid Fuels	01/04/2022	31/03/2026
Digital Services	WAN, Firewall, Internet and Co-Location Services	15/07/2019	14/07/2026
Fleet and Estates	SCBA Replacement	01/05/2024	30/04/2029
Fleet and Estates	Supply of Structural PPE	01/06/2021	30/06/2029
Fleet and Estates	ESFM Fleet Maintenance	01/04/2015	31/03/2030
Fleet and Estates	Underlease of Premises at the Jean Bishop ICC	11/07/2017	10/07/2042

Following on from the identification of the risk rating of each contract, the Procurement team will work closely with contract owners to implement the appropriate contract management measures required for each contract. This will allow for contract review meetings to be scheduled for the remainder of the financial year and beyond.

### Contracts Awarded Outside of the Constitution

The following contracts have been awarded outside the process detailed within part 4 section E of the constitution during the quarter ending 30<sup>th</sup> June 2024:

2024/25 Contracts Awarded Outside of Constitution 1 April 2024 to 30th June 2024				
Contract Description	Justification	Responsible Officer	Contract End Date	Contract Value £'000
Retrofitting of four appliances to 'Full Clean Cab'	It is the opinion of the Service that having the work undertaken by the original contractor that built the bodywork of the vehicles and therefore have readily available the mechanical and electrical drawings, would provide the most optimum solution in terms of time, quality and cost	Head of Fleet	31/03/2025	145
Tactical Fire Instructor Courses	Fire Service College provide training that is aligned to our policies, procedure and standards of delivery, which now incorporates breathing apparatus instructor with compartment fire behaviour training and tactical ventilation. Using another supplier would create inconsistencies in instructor approaches and therefore training delivered to crews	Head of Training	31/12/2024	59
Station End Equipment Annual Maintenance	Due to the agree and technical configuration of the equipment, Telent is the only supplier that is able to offer best endeavour maintenance and support cover for all of the current station end equipment	Head of Digital Services	30/06/2025	44
MDT Software Annual Maintenance & Support	Continuation of Maintenance and Support contract. A procurement exercise to be conducted before the end of this term so the Service can ensure value for money and compliance moving forwards	Head of Digital Services	30/04/2025	40
Aptos Financial Management System	It is essential that the Financial Management System is continued and accessible to provide the Finance and Procurement function the ability to perform their roles. Finance and Procurement team are aware of the necessity to complete a procurement exercise for the provision of a Financial Management System in the near future	Head of Finance	31/03/2025	35
ESRI System	Continuation of Maintenance and Support contract. A procurement exercise to be conducted before the end of this term so the Service can ensure value for money and compliance moving forwards	Head of Digital Services	30/04/2025	30
Secretariat Provision	Continuation of existing arrangement between Humberside Fire and Rescue Service and East Riding of Yorkshire Council in accordance with the constitution and resulting governance arrangements established	Head of Corporate Assurance	31/03/2025	26
Annual Maintenance and Support of OCT Service Desk	Continuation of existing maintenance and support contract with the aim to conduct a relevant procurement exercise within the next year	Head of Digital Services	31/03/2025	18

## **Procurement Workstreams for the remainder of the year**

The next quarter should see the award of the Control Mobilising contract. There will be multiple tender processes beginning, including the procurement of an Incident Command Management system, the provision of fire boots and conversion of five vehicles to ensure the services' water response service capability is upheld.

Following on from the updated Contract Management Policy, we will be liaising with Contract Owners/Heads of Function regarding their departments procurement pipeline with the aim of planning and preparing for upcoming procurement exercises more efficiently.

# Treasury Management

## Prudential Indicators

The Prudential Indicators to 30<sup>th</sup> June 2024 are as follows:

### Indicator 1 – Capital Expenditure

The estimated capital expenditure for the current year compared to the original estimate, together with estimates of expenditure to be incurred in future years are shown below:

	2023/24 Actual £'000	2024/25 Original £'000	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Total Capital Expenditure	1,994	10,921	10,921	4,050	3,990	4,440

### Indicator 2 – Capital Financing Requirement

The capital financing requirement for 2024/25 and estimates for future years are as follows:

	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Capital Financing Requirement	17,404	25,773	26,132	27,463	29,077
Other Long Term Liabilities	1,095	1,072	1,047	1,020	990
<b>Total Capital Financing Requirement</b>	<b>18,499</b>	<b>26,845</b>	<b>27,179</b>	<b>28,483</b>	<b>30,067</b>

The capital financing requirement measures the Authority's need to borrow for capital purposes. In accordance with best professional practice, the Humberside Fire Authority does not associate borrowing with particular items or types of expenditure. The Authority has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved Strategy. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Authority's underlying need to borrow for a capital purpose.

A key indicator of prudence under the Prudential Code is: -

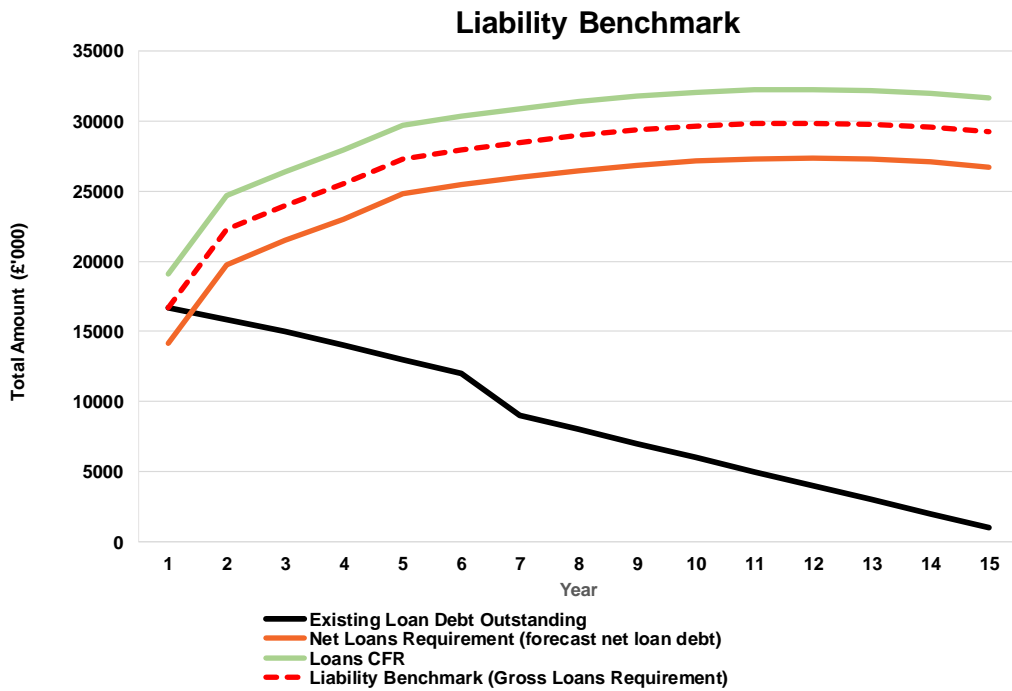
"In order to ensure that over the medium-term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years".

The S151 Officer reports that the Authority has had no difficulty meeting this requirement during the course of this financial year and no difficulties are envisaged in future years. This takes into account current commitments, existing plans and the proposals contained in the Medium Term-Resource Strategy.

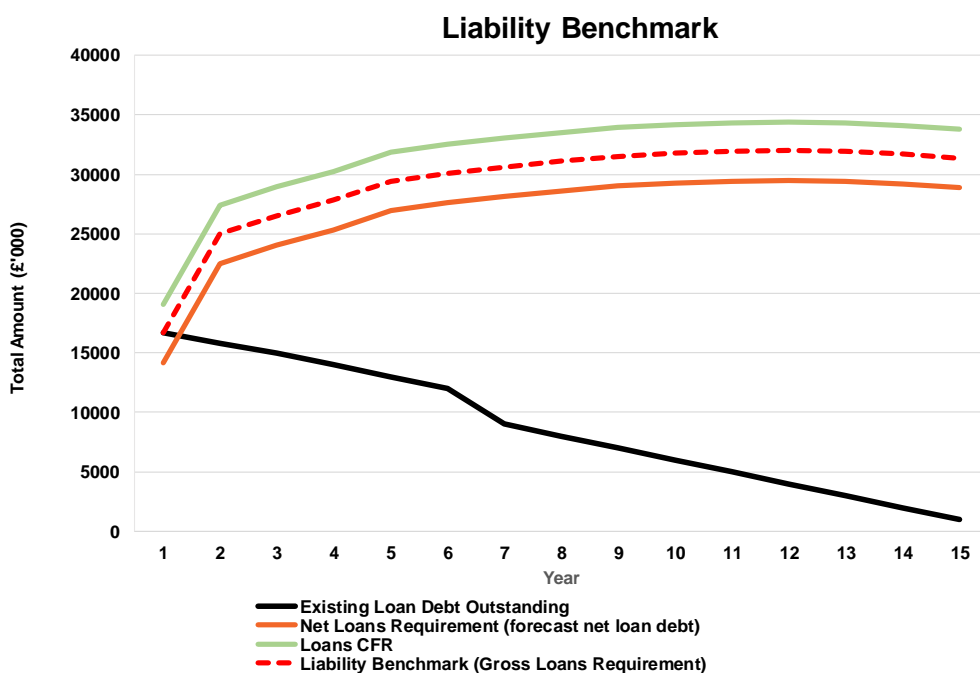
### Indicator 3 – Liability Benchmark

The Authority is required estimate and measure the Liability Benchmark for the forthcoming year and the following two years as a minimum.

The following graph shows what the Liability Benchmark was estimated to be for 2024/25 onwards as set in the Treasury Management Strategy 2024/25:



The Liability Benchmark has been updated to show revised estimates for 2023/24 onwards and is show in the graph below:





## Indicator 4 – Core Funds and Expected Investment Balances

The table below shows the estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

	2024/25		2025/26	2026/27	2027/28
	Original £'000	Revised £'000	Estimate £'000	Estimate £'000	Estimate £'000
Total Core Funds	<u>13,925</u>	<u>16,025</u>	<u>11,024</u>	<u>9,977</u>	<u>8,847</u>
Expected Investments	<u>3,680</u>	<u>4,580</u>	<u>(608)</u>	<u>(2,986)</u>	<u>(5,730)</u>

The actual total investments held as at 30<sup>th</sup> June 2024 is £11.0m. This is higher than the expected investments due to cash flow fluctuations through the year.

## Indicator 5 – Operational Boundary for External Debt

The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the S151 Officer's estimate of the most likely, prudent but not worst-case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the S151 Officer.

	2024/25 Boundary £'000	30-Jun-24 Actual £'000	2025/26 Boundary £'000	2026/27 Boundary £'000	2027/28 Boundary £'000
Borrowing	31,500	16,669	31,500	31,500	31,500
Other Long Term Liabilities	<u>3,500</u>	<u>1,072</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
<b>Total Capital Financing Requirement</b>	<b><u>35,000</u></b>	<b><u>17,741</u></b>	<b><u>35,000</u></b>	<b><u>35,000</u></b>	<b><u>35,000</u></b>

The S151 Officer confirms that borrowing in the year has not exceeded the operational boundary at any point within the year to date and is not expected to do so over the course of the next period based on information currently available.

## Indicator 6 – Authorised Limit for External Debt

The table below shows the Authorised limit for External Debt for 2024/25 and subsequent three-year period as approved by Members, compared to the actual level of borrowing as at 30 June 2024.

	2024/25 Boundary £'000	30-Jun-24 Actual £'000	2025/26 Boundary £'000	2026/27 Boundary £'000	2027/28 Boundary £'000
Borrowing	36,500	16,669	36,500	36,500	36,500
Other Long Term Liabilities	<u>3,500</u>	<u>1,072</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
<b>Total Capital Financing Requirement</b>	<b><u>40,000</u></b>	<b><u>17,741</u></b>	<b><u>40,000</u></b>	<b><u>40,000</u></b>	<b><u>40,000</u></b>

The Authorised Limit reflects the Authority’s projected long- and short-term borrowing requirements, together with any other long-term liabilities it may have. The figures are based on the estimate of most likely, prudent but not worst-case scenario, with sufficient headroom over and above this to allow for operational management of, for example unusual cash movements.

The S151 Officer confirms that the Authorised Limit has not been approached at any point during the first three months of the year, nor is it likely to during the remaining nine months of 2024/25.

### Indicator 7 – Ratio of Capital Financing Costs to Net Revenue Stream

The ratio of financing costs to net revenue stream for the current year and estimates for future years are as follows:

	2023/24 Actual %	2024/25 Original %	2024/25 Revised %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
Ratio of Financial Costs to Net Revenue Stream	1.45	2.28	2.11	2.99	3.22	3.54

These ratios indicate the proportion of the net budget of the Authority that is required to finance the costs of capital expenditure in any year. Estimates of financing costs include current commitments and the proposals contained in the capital programme of the Authority.

In calculating the ratio, Net Revenue Streams in any year have been taken to exclude any element of the net budget requirement that is intended to provide reserves for the Authority.

The projected increase in the ratio over the period reflects the increase in capital financing costs resulting from the capital allocations approved as part of the medium-term financial plan.

### Indicator 8 – Upper and Lower Limits for the Maturity Structure of Borrowings

This indicator seeks to ensure the Authority controls its exposure to the risk of interest rate changes by limiting the proportion of debt maturing in any single period. Ordinarily debt is replaced on maturity and therefore it is important that the Authority is not forced to replace a large proportion of loans at a time of relatively high interest rates.

“The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowings. The prudential indicators will be referred to as the upper and lower limits respectively for the maturity structure of borrowing and shall be calculated as follows:

Amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate;

Where the periods in question are:

- Under 12 months
- 12 months and within 24 months
- 24 months and within 5 years
- 5 years and within 10 years
- 10 years and above”

	Actual 30-Jun-24 %	Upper Limit %	Lower Limit %
Under 12 months	5.05	15	0
12 months and within 24 months	4.97	15	0
24 months and within 5 years	18.00	30	0
5 years and within 10 years	47.99	60	0
10 years and above	24.00	80	0

The S151. Officer confirms that the maturity structure of external debt as at 30/06/24 is within the upper and lower limits approved by the Authority.