

Draft Capital Budget Policy – Under Review

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1. Purpose of Capital Budget Policy

The purpose of this policy is to ensure that the Scottish Fire and Rescue Service (SFRS) is compliant with the requirements of the Financial Reporting Manual (FReM) and the Scottish Public Finance Manual (SPFM) in all aspects of capital accounting. The FReM and SPFM provide guidance on the application of International Financial Reporting Standards (IFRS), adapted and interpreted for the public sector context.

2. Capital Expenditure Definition

The definition of capital expenditure given in IFRS (IAS 16) is:-

“Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment (tangible fixed assets), should be capitalised on an accruals basis, provided that it is **probable that the future economic benefits** associated with the item will flow to the authority and the **cost of the item can be measured reliably**.”

Expenditure that maintains but does not add to an asset’s potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is **charged to resource as an expense**.

In defining capital expenditure, IAS 16 includes the following examples of expenditure that should be capitalised:-

- Acquisition, reclamation, enhancement or laying out of land.
- Acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures.
- Acquisition, installation or replacement of moveable or immovable plant, machinery, apparatus, vehicles and vessels.

Enhancement is defined as works intended to:-

- lengthen substantially the useful life of the asset, or
- increase substantially the market value of the asset, or
- increase substantially the extent to which the asset can or will be used for the purposes of the functions of the organisation concerned.

In SFRS terms, this covers:-

- purchase of land,
- purchase or construction costs of new buildings, refurbishments and extensions,
- purchase or replacement of boilers, plant, machinery, vehicles, operational equipment and IT.

Expenditure on a fixed asset which will **maintain** the previously assessed standard of performance of the asset is deemed to be **resource**.

IAS 16 also states that a fixed asset should initially be measured at its cost, but only those costs **directly attributable** to bringing the asset into working use should be included. Directly attributable costs include:-

- the costs of an organisation's own employees, such as on-site workers, in-house architects or surveyors, which arise directly from the construction or purchase of an asset,
- the costs associated with constructing or acquiring an asset.

Administration and general overheads are **not** classified as capital expenditure. Any costs incurred prior to the intention to purchase or construct a particular asset are, similarly, also not considered to be capital.

In addition to satisfying the above criteria of the nature of capital expenditure, such expenditure must be material in order for it to be capitalised. As a result of all SFRS's Fixed Assets being componentised, there are **no de-minimus values** for capital expenditure.

3. Capital Programme

Section 3.5 of SFRS's Financial Regulations outlines the requirements in relation to the Capital Budget and Budgetary Control.

Section 3.5 of the Financial Regulations requires that the proposed rolling 3-year Capital Programme be submitted to and approved by the Board. A draft is submitted to the Strategic Leadership Team (SLT) for initial consideration and endorsement, with the proposed funding package being based on an estimate of Capital Departmental Expenditure Limit (DEL) from the Scottish Government.

Once the value of the Capital DEL is known, a final Capital Programme, covering the next 3 financial years, is submitted to the Board.

The Capital Programme, prepared on behalf of the Chief Officer by the Director of Finance & Contractual Services, is split into categories of Property – Major Works, Property – Minor Works, Fleet, ICT Equipment (including Intangibles) and Operational Equipment.

The Capital Programme is set using a prioritisation framework of risk decision criteria which is detailed within the Risk Based Capital Investment Plan. The ten-year Risk Based Capital Investment plan is updated annually and identifies the gap between the amount annually allocated to SFRS for fleet, equipment, and property against what is required to minimise risk across the current estate.

The Risk Based Capital Investment Plan operates within the Asset Management System governing Service assets with an overarching Asset Management Policy and detailed Strategic Asset Management Plans (SAMPs) for fleet, property and equipment. These

SAMP's provide the detail to support prioritisation and investment plans across each programme category.

Once the Capital Budget is approved by the Board (between February and April), SFRS has the authority to proceed with the programme as outlined (Appendix 1 – Example of Board Approved Capital Programme).

The Capital Accountant will then assign asset codes to each category of capital expenditure to enable the expenditure to be tracked through the Fixed Asset Register throughout the financial year.

4. Creation of Asset Codes in the Fixed Asset Register

The Capital Accountant will liaise with the capital budget holders to determine the asset codes required for the Capital Budget for the forthcoming financial year. Some of the asset codes can be created at the start of the financial year as the capital budget holders will have a detailed expenditure plan, based on their Asset Management plans.

For those asset codes that cannot be created at the start of the financial year, capital budget holders must request a new asset code and pass to the Capital Accountant, for any new assets that require to be created throughout the financial year. The asset code must be created in the Financial System (Technology 1) before any capital expenditure takes place for the relevant asset.

The creation of Asset Codes by the Capital Accountant in the Fixed Asset Register, is included in a separate guidance note.

5. Capital Monitoring & Forecast Report

Each capital project from the approved Capital Programme is assigned an asset code (see Section 4) and corresponding budget figure.

When the Capital Accountant has created all of the relevant asset codes, the capital budget figures for the financial year are input to Technology 1 for each project, to produce a Capital Monitoring Report (Appendix 2) and Capital Forecast Report (Appendix 3).

At the end of each financial period, the Capital Monitoring Report will be issued to all capital budget holders in Technology 1, detailing the original budget, any budget adjustments, the revised budget, the phased budget, committed expenditure, actual expenditure and the variance from budget.

At the end of each financial period, the Capital Forecast Report will also be issued to all capital budget holders in Technology 1, detailing revised annual budget, forecast value by period, total forecast and forecast variance to budget.

Capital Transaction Reports and Capital Purchase Order Summary Reports will also be available each period in Technology 1 to all Capital Budget Holders to help them monitor their Capital Budget throughout the year.

The Capital Transaction report provides details of actual capital expenditure by supplier, description of goods/service, value and date of transaction.

The Purchase Order Summary Report provides details of all Capital Commitments to date (Purchase Orders placed that are awaiting goods to be received and Purchase Orders placed where the goods have been received but no invoice has been processed).

6. Capital Budget Holder Responsibilities

The Director of Finance and Contractual Services, on behalf of the Chief Officer, is responsible for managing and controlling the capital budget approved by the Board, in accordance with the Financial Regulations. Responsibility for individual capital projects is devolved to relevant Directors/Officers. The devolved capital budget holder is tasked with ensuring that the project is carried out on time and within budget. To do this, they are given appropriate authorisation levels in Technology 1 to approve Capital Purchase Orders and Capital Invoices etc.

Each period, capital budget holders are required to analyse their actual costs to date using the Capital Transaction reports and analyse their commitments to date using the Capital Purchase Order Summary Report. The total spend to date figures should be compared to the phased budget and where there is a difference (under/(over) spend), budget holders are required to comment on those variances, in the Capital Monitoring Report and submit to the Capital Accountant each period, in accordance with the financial monitoring timetable.

Capital Budget Holders are also required to submit a forecast of their capital expenditure, showing the split of expenditure across each period of the financial year. If the forecast figure is showing a difference to the budget figure (under/(over) forecast), then budget holders are required to comment on those variances, in the Capital Forecast Report and submit to the Capital Accountant each period.

Capital Budget Holders must also attend meetings of the Capital Monitoring Group to provide regular updates on the progress of their project(s).

7. Capital Monitoring Group

The Capital Monitoring meetings are chaired by the Director of Finance and Contractual Services and are attended by the Head of Asset Management, Head of ICT, Head of Finance and Procurement, Capital Accountant and all Capital Budget Holders.

The meetings are scheduled every period throughout the financial year and meeting dates are issued by the Director of Finance and Contractual Services at the start of each financial year.

The agenda for the meeting is based on the Capital Monitoring Report (Appendix 2) and the Capital Forecast Report (Appendix 3). Approved minutes of each meeting are made available on the SFRS intranet.

Section 3.5 of SFRS's Financial Regulations states that it shall be the responsibility of the Chief Officer to ensure that capital expenditure does not exceed the sum approved for the project (s) in the capital budget. The Chief Officer is authorised to approve the transfer of resources between capital projects, up to a maximum of £1million, to accommodate variations between estimated and actual costs and project delays, subject to the total expenditure being contained within the overall Capital Programme budget for that year. However, authorisation must be sought from the Board to substantially change the nature of a project from that envisaged when the Capital Programme was approved, or to transfer resources in excess of £1million.

Where it becomes apparent that after commencement of a capital project, it will be under or over spent by more than £10,000 or 10% of the total contract figure (whichever is greater) it is the duty of the delegated capital budget holder concerned to report this to the Capital Monitoring Group as soon as possible. A decision will be taken as to the actions required with regard to that project and/or other projects within the Capital Programme. It is not necessary in these circumstances to seek further approval from the Board.

In accordance with Section 3.5 of SFR's Financial Regulations, the Chief Officer may allow expenditure to be incurred in respect of a new capital project (outwith the approved Capital Programme) or to advance expenditure from future years' projects where such expenditure can be contained within the overall limit in Capital Expenditure.

This may arise where slippage has occurred in the phasing of another project or where cost estimates were overstated in the original programme.

The Chief Officer is authorised to approve the transfer of resources between capital projects, up to a maximum of £1million, and such virements will be dealt with through the Capital Monitoring Group and reported to the Board for information retrospectively.

A Budget Adjustment form should be completed by the Capital Budget Holder for any budget virement. It should be authorised by either the Head of Finance and Procurement or Accounting Manager and passed to the Capital Accountant for input to Technology 1.

8. Capital Budget Reporting

The Director of Finance and Contractual Services is responsible for reporting the level of actual and committed capital expenditure to the Board and SLT at each formal meeting (minimum frequency being monthly, accordance with the financial monitoring timetable).

A Capital Monitoring Report (Example - Appendix 4) is submitted each period for inclusion in the SLT meetings and to each meeting of the Scottish Fire and Rescue Board.

Approved 2025/2026 Capital Programme

Report No:

Agenda Item:

Report to:	THE BOARD OF THE SCOTTISH FIRE & RESCUE SERVICE							
Meeting Date:	27 MARCH 2025							
Report Title:	CAPITAL PROGRAMME 2025/26 – 2027/28							
Report Classification:	For Decision	Board/Committee Meetings ONLY						
		For Reports to be held in Private						
		Specify rationale below referring to						
		<u>Board Standing Order 9</u>						
		A	B	C	D	E	F	
		G						
1	Purpose							
1.1	The purpose of this report is to present the Board with the Capital Programme 2025/26 to 2027/28 for approval.							
2	Funding							
2.1	The Scottish Government's Targeted Review of the Capital Spending Review (CSR) in May 2022 set the Service's base capital (CDEL) allocation at £32.5million until 2025/26.							
2.2	Work has been ongoing over several years to highlight to the Scottish Government that this level of funding is inadequate to ensure a fit for purpose asset base for SFRS. The indicative 10-year investment programme set out within the refreshed Risk Based Capital Investment Plan 2025 sets out an annual funding requirement of £82 million to address backlog investment in the existing asset portfolio.							
2.3	The annual Budget (Scotland) Bill, which was passed by the Scottish Parliament on 25 February 2025, confirmed Capital DEL funding for the Scottish Fire and Rescue Service (SFRS) at £47 million for 2025/26, which represents an increase of £3.974 million compared to the previous year, and an uplift of £14.5 million on the base funding position.							
2.4	The annual Budget Bill set allocations for 2025/26 only. The Board agreed in setting the Budget Approach 2025/26 that indicative capital spending plans for 2026/27 and 2027/28 would be developed based on CDEL funding continuing at £47million, recognising that if this were not the case, plans would need to be adjusted.							
2.5	To supplement core funding, the Service continues to identify surplus assets that are no longer required in operational use. These are sold, generating capital receipts for reinvestment,							

	typically within the programme area from which they arose. Where these receipts exceed £1 million, permission is sought from the Scottish Government to reinvest within the Service. Specifically, during 2025 - 2026, it is expected that the Cowcaddens site will be sold, retaining an area for potential redevelopment of the fire station. A pre-planning application for this new fire station has been submitted to Glasgow City Council.
2.6	There are no confirmed grants for 2025/26 and beyond, however work will continue during the year to identify and bid for opportunities, particularly in support of the Carbon Management Plan.
2.7	The introduction of a new accounting standard (IFRS 16) for leases in 2022/23 has meant that operational leases previously funded from the resource budget are now capitalised. The impact of this change has been mitigated via SG to ensure no loss of funding to the Service. The funding allocated to IFRS 16 leases totals £2.059 million over 3 years and is reflected in the Capital Programme.
2.8	Funding for the Emergency Services Mobile Communications Project (ESMCP), which will develop a new Emergency Services Network across the UK, is provided separately by SG as part of ring-fenced funding from the Home Office. This project consists of the main ESMCP Programme, and the ESN Connect Data First pilot. The capital requirement over the next three years is currently anticipated to be £4.7 million. £0.4 million is included in the 2025/2026 Capital Programme (within ESMCP and In Vehicles Systems) for the ESN Connect Data First part of this project. This reflects funding already transferred to SFRS by SG in financial years 2023/24 and 2024/25. Due to project timescales this was reallocated to other projects and is re-imbursed to the ESN project in 2025/26. There has been no provision made for the remaining £4.3million of this project as both funding and programme timelines have yet to be confirmed by SG.
2.9	The overall funding set out in the 3-year capital programme is £155 million .
3	Risk Based Capital Investment Plan
3.1	Due to funding constraints, a Risk Based Capital Investment Plan was approved by the Board in 2022. This has been refreshed for 2025 alongside the development of the capital budget and outlines an indicative 10-year Asset Investment Plan (AIP), prioritised to minimise the risk of asset failure in terms of service delivery.
3.2	It should however be noted that this approach is not sustainable and continued operation of assets that have exceeded their useful life will lead to increasing resource maintenance costs, which does not achieve good value for money.
3.3	To support the risk-based approach, an overarching Asset Management Policy has been created and detailed Strategic Asset Management Plans (SAMPs) have been developed for fleet, property and equipment. These SAMP's provide the detail to support prioritisation and investment plans across each programme category. The AIP is updated after each year's capital

<p>3.4</p> <p>3.5</p>	<p>investment has been completed.</p> <p>The AIP and SAMP's have prioritised investment in:</p> <ul style="list-style-type: none"> • 14 fire stations affected by Reinforced Aerated Autoclaved Concrete (RAAC) panel issues, • the suitability of fire stations to provide dignified facilities to attract and retain a diverse workforce, • reconfiguring fire stations to enable the control of fire contaminants on PPE after incidents, • minor works to improve the condition of fire stations that are in the worst condition, • modernising our fleet as this is an integral part of our Operational Strategy, • upgrading our Self-Contained Breathing Apparatus (SCBA) equipment. This is the single most risk critical and identifiable item of equipment used to ensure the safety of the Firefighter within the risk area, • Upgrading Digital and Technology Services infrastructure, this includes investment on the New Mobilising system, • addressing climate change. <p>As the Strategic Service Review Programme progresses during 2025/26, the Risk Based Capital Investment Plan will be updated to take account of evolving asset requirements.</p>
<p>4</p>	<p>Proposed Capital Programme</p>
<p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p>	<p>The proposed capital programme for 2025/26 to 2027/28, is detailed in Appendix A, which has been developed in line with the Budget Approach 2025/26 approved by the Board at its Meeting on 27th February. The Budget Approach 2025/26 incorporates the Risk Based Capital Investment approach, and the Risk Based Capital Investment Plan 2025 (section 5.11) sets out the impact of planned investment on the condition and suitability of our asset portfolio.</p> <p>Consideration has been given to ensuring that the proposed programme achieves best value in the pursuance of the SFRS Strategy 2025-28 and the six immediate priorities identified by the Chief Officer. These priorities are, Public Service Reform, Enhancing Prevention, Firefighter Safety, Technology and Training, Leadership and Culture, Strategic Service Review Programme and Digital, data and technology capabilities.</p> <p>Total proposed expenditure over the 3-year period is £155 million (£47 million, £61 million, £47 million), funded by anticipated Capital DEL budget of £141 million (£47 million, £47 million, £47 million) and estimated capital receipts from fleet disposals and sale of property of £14 million (NIL, £14 million, NIL).</p> <p>Proposed expenditure of £67 million on Property Major Works projects (£14.800 million, £32.000 million, £20.200 million) is to;</p>

	<ul style="list-style-type: none"> • Continue the replacement of fire stations affected by RAAC, initially those at Dalkeith, Liberton, Livingston, Portree, Stewarton, Huntly and Tranent, building flexibility within the program to enable opportunities to be taken. All new builds will be compliant with standard station design (currently under review) addressing requirements for dignified facilities and contaminant control. • Due to the lack of alternative sites within the required operational area, assess the feasibility of remediating RAAC in situ within the existing fire station at Helensburgh, Hawick, Cumbernauld, Milngavie and Crewe Toll, inclusive of reconfiguration to create dignified facilities and address contaminant control requirements. • There is a clear ambition that over the course of 5 years SFRS will have no Fire Stations with RAAC roofs. • Undertake focused reconfiguration projects to provide dignified facilities and address contaminant control in fire stations at Calton, Alloa, Stirling and Kilmarnock. • Invest in the training estate, in line with the recently approved Training Service Asset Management Plan (TSAMP) for Training Assets, in support of the Training Vision and Strategy. • Invest in decarbonisation and environmental projects in line with the Carbon Management Plan.
4.5	<p>Proposed expenditure of £24.506 million on Property – Minor Works (£8.683 million, £8.066 million, £7.757 million) will be targeted to essential upgrades to address health and safety aspects of condition, while addressing some immediate priorities in support of workforce diversity.</p>
4.6	<p>Proposed investment of £24.492 million in Fleet (£8.958 million, £8.638 million, £6.895 million) will enable the continued modernisation of the frontline fleet, benefitting from environmental improvements and will enable the introduction of new vehicles, Prime Movers and Pods, Water Carrier Vehicles and Fire Investigation Units. The investment will also enable transition of some existing Light Fleet vehicles, to net zero vehicles over the 3-year period.</p>
4.7	<p>Discussion remains ongoing between UK and Scottish Governments regarding funding for refreshing/replacing national resilience assets that were provided as part of a UK-wide New Dimensions programme pre-SFRS, based on interoperability. While the position remains unclear, flexibility has been built into the programme to address this requirement from existing funding.</p>
4.8	<p>In Digital and Technology Infrastructure, the proposed investment of £16.870 million (£10.826 million, £3.976 million, £2.068 million) will enable the completion of the new command and control mobilising system, providing resilience in this critical aspect of service delivery. This budget will also facilitate the ongoing investment required in short life ICT assets that need constant refresh to ensure the critical ICT infrastructure is maintained, as well as supporting new developments to deliver the Digital Strategy.</p>

4.9	<p>Finally, proposed investment of £22.132 million in Operational Equipment (£3.732 million, £8.320 million, £10.080 million) will enable;</p> <ul style="list-style-type: none"> • investment in infrastructure to support contaminant control, • upgrade/replacement of breathing apparatus systems, embracing technological advances, • ongoing investment in PPE for new firefighters, • ongoing standardisation and renewal of time-expired items of equipment carried on fire appliances and other specialist vehicles.
5	Recommendation
5.1	<p>The Board is asked to:</p> <ul style="list-style-type: none"> • approve the proposed Capital Programme for 2025 – 2028, as set out in section 4 and detailed in Appendix A, recognising that figures for years 2 and 3 are indicative and will be refined in future years.
6	Key Strategic Implications
6.1	<p>Risk/Risk Appetite Specific capital budget risks are set out in Appendix B, the mitigating actions for which will be addressed through the risk management process.</p>
6.1.1	In relation to breaching budgetary limits SFRS has a Minimalist appetite, aiming to fully utilise but not exceed approved budgets.
6.1.2	In relation to multi-year capital planning, SFRS has an Open risk appetite. We are prepared to initiate capital investment beyond confirmed future funding, aligned to careful monitoring and management, to ensure the maximum possible investment in our asset priorities. The Risk Based Capital Investment Plan, which will be refreshed for 2025 in conjunction with the development of the Capital Programme 2025/26
6.1.3	In relation to risk of failing to provide a safe and effective emergency response, SFRS has a Minimalist appetite, while also being Ambitious to explore new delivery models, specifically related to SSRP, utilising various data and information sources.
6.2	Financial
6.2.1	The financial implications are set out within the report.
6.3	Environmental & Sustainability
6.3.1	Estate and fleet investment will address the environmental impacts of aging assets, embracing carbon reduction technologies.
6.4	Workforce
6.4.1	Investment in modernising the asset base of the organisation will improve the working conditions and experience of the workforce.

6.5 6.5.1	Health & Safety The proposed Capital Programme provides for investment in improving contaminant control at fire stations, personal protective equipment, and breathing apparatus.
6.6 6.6.1	Health & Wellbeing The proposed Capital Programme provides for investment in improving dignified facilities at fire stations.
6.7 6.7.1	Training The proposed Capital Programme provides for investment in the training estate.
6.8 6.8.1	Timing The Capital Programme covers the period 2025 – 2028.
6.9 6.9.1	Performance Capital budget performance will be monitored monthly through the Capital Monitoring Group and reported to the Strategic Leadership Team and the Board.
6.10 6.10.1 6.10.2	Communications & Engagement The development of the Capital Programme was preceded by the development of the Strategic Asset Management Plans (SAMP's) for fleet, property and equipment. The SAMP's were developed by face-to-face engagement with end users from a number of stations across the country, feedback questionnaires, local senior officers and service delivery personnel. The SAMP's were then used as part of the capital programme development. The draft Capital Programme has been discussed in detail with capital budget holders, the Strategic Leadership Team and the Board at its Strategy Day to build consensus on priorities and refine areas for investment.
6.11 6.11.1	Legal and Regulatory The Accountable Officer is required to ensure that the resources of SFRS are used economically, efficiently and effectively.
6.12 6.12.1	Information Governance There are no specific Information Governance implications associated with this report.
6.13 6.13.1	Equalities An Equality Impact Assessment has been carried out on the proposed Capital Programme (to follow for Board paper).
6.14 6.14.1	Service Delivery Outcomes One and Two are specifically focused on our service delivery to improve community safety, wellbeing, and resilience. Budget decisions will support progress towards these outcomes.

7	Core Brief	
7.1	The Director of Finance and Contractual Services presented the proposed Capital Programme 2025 – 2028 to the Board for approval. Total proposed expenditure over the 3-year period is £155 million , funded by anticipated Capital DEL budget of £141 million and estimated capital receipts of £14 million.	
8	Assurance (SFRS Board/Committee Meetings ONLY)	
8.1	Director:	Sarah O'Donnell, Director of Finance & Contractual Services
8.2	Level of Assurance: (Mark as appropriate)	Substantial
8.3	Rationale:	There has been significant engagement with budget holders, Service Delivery colleagues, the Strategic Leadership Team, and the Board in the development of the Capital Programme.
9	Appendices/Further Reading	
9.1	<ul style="list-style-type: none"> • Appendix A - Capital Programme 2025/26 to 2027/28 • Appendix B – Capital Budget Risks 	
Prepared by:	Ijaz Bashir, Head of Asset Management Caroline Adams, Deputy Accounting Manager	
Sponsored by:	Lynne McGeough, Head of Finance and Procurement Ijaz Bashir, Head of Asset Management	
Presented by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Links to Strategy and Corporate Values		
The proposed Capital Programme for 2025/28 is developed to pursue the strategic objectives and priorities contained within our Strategic Plan and Long-Term Vision		
Governance Route for Report	Meeting Date	Report Classification/ Comments
Strategic Leadership Team	20 March 2025	<i>For recommendation</i>
The Board of Scottish Fire and Rescue Service	27 March 2025	<i>For Decision</i>

SCOTTISH FIRE & RESCUE SERVICE
Summary of Estimated Capital Expenditure 2025/26 - 2027/28

£000

Capital Expenditure Legally Committed (LC)

Financial Year			Total
2025/26	2026/27	2027/28	
18,390	-	-	18,390

Capital Expenditure Not Yet Legally Committed (NYLC)

Financial Year			Total
2025/26	2026/27	2027/28	
28,610	61,000	47,000	136,610

TOTAL - LC & NYLC

Financial Year			Total
2025/26	2026/27	2027/28	
47,000	61,000	47,000	155,000

SOURCES OF FUNDING

Source	Financial Year			Total
	2025/26	2026/27	2027/28	
Capital DEL	47,000	47,000	47,000	141,000
Capital Receipts	-	14,000	-	14,000
TOTAL	47,000	61,000	47,000	155,000

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2025/26 - 2027/28

SUMMARY

£000

Category	Estimated Total Net Cost	Funded in Previous Years	Spend Profile				
			2025/26		2026/27	2027/28	Total
			LC	NYLC			
Property - Major Works	70,535	3,535	2,572	12,228	32,000	20,200	67,000
Property - Minor Works	24,506	-	300	8,383	8,066	7,757	24,506
Fleet	24,492	-	6,485	2,473	8,638	6,895	24,492
ICT	21,154	4,284	9,033	1,793	3,976	2,068	16,870
Operational Equipment	22,132	-	-	3,732	8,320	10,080	22,132
Sub-total			18,390	28,610	61,000	47,000	155,000
TOTAL (LC+NYLC)	162,819	7,819		47,000	61,000	47,000	155,000

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2025/26 - 2027/28

Within Scope of SSRP

PROPERTY - MAJOR WORKS

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Spend Profile				
			2025/26		2026/27	2027/28	Total
			LC	NYLC			
Dalkeith Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	9,026	526	346	3,254	4,900	-	8,500
Liberton Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	8,774	474	366	1,334	6,600	-	8,300
Livingston Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	9,800	-	-	1,000	2,400	6,400	9,800
Portree Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	5,427	27	-	900	3,500	1,000	5,400
Stewarton Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	4,300	-	-	800	1,000	2,500	4,300
Huntly Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	4,400	-	-	900	3,500	-	4,400
Tranent Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	3,700	-	-	-	1,600	2,100	3,700
Glasgow New Build Fire Station (Dignified Facilities), (CC)	2,760	60	-	-	600	2,100	2,700
Calton Fire Station - Reconfiguration (Dignified Facilities), (CC), CoG LSO Reconfigurations	1,663	263	700	700	-	-	1,400
Alloa Fire Station - Reconfiguration (Phase 2) (Dignified Facilities), (CC)	1,200	-	-	400	800	-	1,200
Stirling Fire Station - Reconfiguration (Phase 2) (Dignified Facilities), (CC)	1,200	-	-	400	800	-	1,200
Kilmarnock Fire Station - Reconfiguration (Dignified Facilities), (CC)	2,150	-	-	950	1,200	-	2,150
Helensburgh Fire Station - Reconfiguration (Dignified Facilities), (CC), (Roof Structure), (RAAC)	3,250	-	-	-	1,250	2,000	3,250
Hawick Fire Station - Reconfiguration (Dignified Facilities), (CC), (RAAC), (Roof Structure), (RAAC)	3,250	-	-	-	1,250	2,000	3,250
Cumbernauld Fire Station - Reconfiguration (Dignified Facilities), (CC), (Roof Structure), (RAAC)	400	-	-	-	-	400	400
Milngavie Fire Station - Reconfiguration (Dignified Facilities), (CC), (RAAC), (Roof Structure), (RAAC)	400	-	-	-	-	400	400

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2025/26 - 2027/28

Within Scope of SSRP

PROPERTY - MAJOR WORKS

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Spend Profile				
			2025/26		2026/27	2027/28	Total
			LC	NYLC			
Crewe Toll Fire Station - Reconfiguration (Dignified Facilities), (CC), (Roof Structure), (RAAC)	400	-	-	-	-	400	400
Training Estate	4,600	-	710	1,590	2,000	300	4,600
Property Project Costs	3,835	2,185	450	-	600	600	1,650
Sub-total			2,572	12,228	32,000	20,200	67,000
TOTAL (LC+NYLC)	70,535	3,535		14,800	32,000	20,200	67,000

RAAC = Reinforced Autoclaved, Aerated Concrete
 CC = Contaminant Control

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2025/26 - 2027/28

 Within Scope of SSRP

PROPERTY - MINOR WORKS

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Spend Profile				
			2025/26		2026/27	2027/28	Total
			LC	NYLC			
Minor Works - Condition (Elemental Upgrades)	21,377	-	300	7,350	7,000	6,727	21,377
Decarbonisation/Environment	3,000	-	-	1,000	1,000	1,000	3,000
Change in Accountancy IFRS 16 Capitalising of Leases	129	-	-	33	66	30	129
Sub-total			300	8,383	8,066	7,757	24,506
TOTAL (LC+NYLC)	21,377	-		8,683	8,066	7,757	24,506

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2025/26 - 2027/28

Within Scope of SSRP

FLEET

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Spend Profile				
			2025/26		2026/27	2027/28	Total
			LC	NYLC			
Aerial Platforms and Bodyworks	1,600	-	-	1,600	-	-	1,600
Light Appliances	1,725	-	423	2	1,300	-	1,725
Frontline Appliances	11,740	-	4,335	65	3,670	3,670	11,740
Light Fleet - Vans & Cars (incl transition to net zero)	3,313	-	536	33	1,397	1,347	3,313
Leased Vehicles (IFRS16)	1,605	-	-	535	535	535	1,605
Prime Movers and PODS / Water Carrier Strategy	1,000	-	-	-	500	500	1,000
Control Units/New Dimensions Assets	2,800	-	1,191	9	1,000	600	2,800
Fleet Project Staff cost	709	-	-	229	236	243	709
Sub-total			6,485	2,473	8,638	6,895	24,492
TOTAL (LC+NYLC)	23,783	-		8,958	8,638	6,895	24,492

Digital & Technology Services Infrastructure

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Spend Profile				
			2025/26		2026/27	2027/28	Total
			LC	NYLC			
PC's, laptops, peripherals	450	-	-	50	200	200	450
Replacement & Upgrade of AV Kit	200	-	-	100	50	50	200
Server Infrastructure	200	-	-	100	50	50	200
Systems Infrastructure	242	-	-	42	100	100	242
Network Infrastructure	586	-	-	136	250	200	586
Data Centre/Disaster Recovery	200	-	-	100	50	50	200
Telephony	200	-	-	100	50	50	200
Cyber Security Provision	300	-	-	100	100	100	300
ESN Connect - Data First (Awaiting SG Confirmation)	420	-	-	420	-	-	420
In Vehicle Systems	255	-	-	255	-	-	255
ICT Project Costs	1,566	626	340	-	300	300	940
Digital and Technical Innovation	250	-	-	50	100	100	250
Change in Accountancy IFRS 16 Capitalising of Leases (Photocopiers and Franking Machines)	325	-	-	325	-	-	325
New Mobilising System	15,960	3,658	8,693	15	2,726	868	12,302
Sub-total			9,033	1,793	3,976	2,068	16,870
TOTAL (LC+NYLC)	21,154	4,284		10,826	3,976	2,068	16,870

SCOTTISH FIRE & RESCUE SERVICE
Capital Programme 2025/26 - 2027/28

Within Scope of SSRP

OPERATIONAL EQUIPMENT

£000

Project Description	Estimated Total Net Cost	Funded in Previous Years	Spend Profile				
			2025/26		2026/27	2027/28	Total
			LC	NYLC			
Operational Equipment	5,920	-	-	1,120	2,020	2,780	5,920
SCBA Systems Upgrade / Replacement	8,412	-	-	412	4,000	4,000	8,412
PPE	7,800	-	-	2,200	2,300	3,300	7,800
Sub-total			-	3,732	8,320	10,080	22,132
TOTAL (LC+NYLC)	22,132	-		3,732	8,320	10,080	22,132

Capital Budget Risks

APPENDIX B

Risk ID	Strategic Outcome	Risk Description	Risk Rating	Risk Appetite
FCS008	4	There is a risk of that the Service will be unable to achieve environmental and carbon reduction commitments of 6% per annum; Because of limited investment or anticipated saving targets not being achieved through current projects	12	Open (Within Appetite)
FCS015	6	There is a risk of a number of issues with regards to staffing, including the ability to recruit specialist staff, single points of failure across a number of key roles, lack of succession planning, age profile of staff in senior roles, staff retention rates and staff training; Because of a very buoyant job market in fleet and property, pay grades challenges and the need to review and update structure within sections not updated for 10 years	12	Open (Within Appetite)
FCS021	2	There is a risk of SFRS Property, Fleet and Equipment Assets failing to meet operational standards; Because of a lack of sufficient capital investment from Government	12	Open (Within Appetite)
FCS005	5	There is a risk that the Service may be unable to secure levels of funding required to achieve its strategic objectives. Additional pressure has been placed upon government finances causing uncertainty over future funding settlements.	16	Minimalist (Outwith Appetite)
FCS022	6	There is a risk of continued challenges with recruiting and retaining staff with the necessary skills and experience required to support the Finance and Procurement Function. This is particularly apparent within the Accountancy and Procurement Sections which is proving to have a very buoyant job market and provides pay grade challenges.	16	Open (Within Appetite)
SD001	2	There is a risk of failure to mobilise to an incident due to a technical failure of the existing mobilising systems. As a result, we would be failing to meet our statutory duty and also potentially bring reputational damage to the Service.	15	Minimalist (Outwith Appetite)
TSA019	2	There is a Directorate risk, of an inability to maintain or improve our training delivery due to the limited finance/budget available for capital investment, condition and location of our Training Estate and therefore lack of access to appropriate facilities.	20	Open (Within Appetite)
SD003	2	There is a risk of SFRS operational availability systems reaching end of life and failing and the existing supplier ceasing to support or maintain legacy systems.	9	Minimalist (Outwith Appetite)

Capital Monitoring Report - Example

Scottish Fire & Rescue Service							Period/Year	Run Date
							1	
Capital Monitoring Report - Period 1							2025/26	
1	2	3	4	5	6	7	8	9
			2+3			5+6	4-7	
Project Description	Annual Budget (Board Approved)	Adjustments	Revised Annual Budget	Commitments	Actual Expenditure	Total Committed Expenditure	Budget Variance	Budget Variance %
Property - Major Works	14,800,000		14,800,000			0	14,800,000	100%
Property - Minor Works	8,683,000		8,683,000			0	8,683,000	100%
Fleet	8,958,420		8,958,420			0	8,958,420	100%
ICT (including NMS)	10,826,305		10,826,305			0	10,826,305	100%
Operational Equipment	3,732,275		3,732,275			0	3,732,275	100%
Gross Capital Expenditure	47,000,000	0	47,000,000	0	0	0	47,000,000	100%
1	2	3	4	5	6	7	8	9
			2+3			5+6	4-7	
Project Description	Annual Budget (Board Approved)	Adjustments	Revised Annual Budget	Commitments	Actual Expenditure	Total Committed Expenditure	Budget Variance	Budget Variance %
Capital - Funding	(47,000,000)	0	(47,000,000)			0	(47,000,000)	100%
Capital Funding	(47,000,000)	0	(47,000,000)	0	0	0	(47,000,000)	100%
(Over)/Under Funded	0	0	0	0	0	0	0	
Percentage Spend of Revised Annual Capital Budget		0.00%						

Scottish Fire & Rescue Service

Capital Monitoring Report - Period 1

Capital - Property Major Works

	2	3	4	5	6	7	8	9	
			2+3			5+6	4-7		
Project Description	Annual Budget	Adjustments	Revised Annual Budget	Commitments	Actual Expenditure	Total Committed Expenditure	Budget Variance	Budget Variance %	Comments
Dalkeith Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	3,600,000		3,600,000			0	3,600,000	100%	
Liberton Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	1,700,000		1,700,000			0	1,700,000	100%	
Livingston Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	1,000,000		1,000,000			0	1,000,000	100%	
Portree Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	900,000		900,000			0	900,000	100%	
Stewarton Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	800,000		800,000			0	800,000	100%	
Huntly Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	900,000		900,000			0	900,000	100%	
Calton Fire Station (Dignified Facilities), (CC), (CoG LSD Reconfigurations)	1,400,000		1,400,000			0	1,400,000	100%	
Alloa Fire Station - Reconfiguration (Phase 2), (Dignified Facilities), (CC)	400,000		400,000			0	400,000	100%	
Stirling Fire Station - Reconfiguration (Phase 2), (Dignified Facilities), (CC)	400,000		400,000			0	400,000	100%	
Stirling Fire Station - Reconfiguration, (Dignified Facilities), (CC)	950,000		950,000			0	950,000	100%	
Training Estate	2,300,000		2,300,000			0	2,300,000	100%	
Property Project Costs	450,000		450,000			0	450,000	100%	
	14,800,000	0	14,800,000	0	0	0	14,800,000	100%	

Capital - Property Minor Works

	2	3	4	5	6	7	8	9	
			2+3			5+6	4-7		
Project Description	Annual Budget	Adjustments	Revised Annual Budget	Commitments	Actual Expenditure	Total Committed Expenditure	Budget Variance	Budget Variance %	Comments
Minor Works - Condition (Elemental Upgrades)	7,850,000		7,850,000			0	7,850,000	100%	
Decarbonisation / Environment	1,000,000		1,000,000			0	1,000,000	100%	
Change in Accountancy IFRS16 Capitalising of Leases	33,000		33,000			0	33,000	100%	
	8,683,000	0	8,683,000	0	0	0	8,683,000	100%	

Capital - Vehicles									
1	2	3	4	5	6	7	8	9	
			2+3			5+6	4-7		
Project Description	Annual Budget	Adjustments	Revised Annual Budget	Commitments	Actual Expenditure	Total Committed Expenditure	Budget Variance	Budget Variance %	Comments
Aerial Platforms and Bodyworks	1,600,000		1,600,000			0	1,600,000	100%	
Light Appliances	425,000		425,000			0	425,000	100%	
Frontline Appliances	4,400,000		4,400,000			0	4,400,000	100%	
Light Fleet - Vans & Cars (incl transition to net zero)	569,077		569,077			0	569,077	100%	
Control Units/New Dimensions Assets	1,200,000		1,200,000			0	1,200,000	100%	
Fleet Project Staff Costs	229,343		229,343			0	229,343	100%	
Leased Vehicles (IFRS16)	535,000		535,000		0	0	535,000	100%	
	8,958,420	0	8,958,420	0	0	0	8,958,420	100%	

Capital - ICT									
1	2	3	4	5	6	7	8	9	
			2+3			5+6	4-7		
Project Description	Annual Budget	Adjustments	Revised Annual Budget	Commitments	Actual Expenditure	Total Committed Expenditure	Budget Variance	Budget Variance %	Comments
PC's, laptops, peripherals	50,000		50,000			0	50,000	100%	
Replacement & Upgrade of AV Kit	100,000		100,000			0	100,000	100%	
Server Infrastructure	100,000		100,000			0	100,000	100%	
Systems Infrastructure	42,000		42,000			0	42,000	100%	
Network Infrastructure	136,000		136,000			0	136,000	100%	
Data Centre/Disaster Recovery	100,000		100,000			0	100,000	100%	
Telephony	100,000		100,000			0	100,000	100%	
Cyber Security Provision	100,000		100,000			0	100,000	100%	
ESN Connect- Data First (Awaiting SG Confirmation)	420,000		420,000			0	420,000	100%	
In Vehicle Systems	255,000		255,000			0	255,000	100%	
ICT Project Costs	340,000		340,000			0	340,000	100%	
Digital and Technical Innovation	50,000		50,000			0	50,000	100%	
IFRS16 Capitalising of Leases (Photocopiers and Franking Machines)	325,382		325,382			0	325,382	100%	
New Mobilising System	8,707,923		8,707,923			0	8,707,923	100%	
	10,826,305	0	10,826,305	0	0	0	10,826,305	100%	

Capital - Operational Equipment									
1	2	3	4	5	6	7	8	9	
			2+3			5+6	4-7		
Project Description	Annual Budget	Adjustments	Revised Annual Budget	Commitments	Actual Expenditure	Total Committed Expenditure	Budget Variance	Budget Variance %	Comments
Operational Equipment	1,120,000		1,120,000			0	1,120,000	100%	
SCBA Systems Upgrade / Replacement	412,275		412,275			0	412,275	100%	
PPE	2,200,000		2,200,000			0	2,200,000	100%	
	3,732,275	0	3,732,275	0	0	0	3,732,275	100%	

Capital Funding									
1	2	3	4	5	6	7	8	9	
			2+3			5+6	4-7		
Project Funding	Annual Budget	Adjustments	Revised Annual Budget	Commitments	Actual Expenditure	Total Committed Expenditure	Budget Variance	Budget Variance %	Comments
Capital DEL	(47,000,000)		(47,000,000)	0	0	0	(47,000,000)	100%	
Capital Receipts Applied - Property NBV	0		0	0	0	0	0	#DIV/0!	
Capital Receipts Applied - Vehicles NBV	0		0	0	0	0	0	#DIV/0!	
	(47,000,000)	0	(47,000,000)	0	0	0	(47,000,000)	100%	
Sum:	0	0	0	0	0	0	0	0	

Appendix 3

Capital Forecast Report - Example

Scottish Fire & Rescue Service															Period/Year	Run Date	
Capital Forecast Report - Period 1															1		
															2025/26		
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	£	£
Project Description	Annual Budget	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total Forecast Expenditure	Variance to Budget	Budget Variance %	
Capital - Property Major Works	14,800,000													0	14,800,000	100.00%	
Capital - Property Minor Works	8,683,000													0	8,683,000	100.00%	
Capital - Vehicles	8,958,420													0	8,958,420	100.00%	
Capital - ICT	10,826,305													0	10,826,305	100.00%	
Capital - Operational Equipment	3,732,275													0	3,732,275	100.00%	
Gross Capital Expenditure	47,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	47,000,000	100.00%	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	£	£		
Project Description	Revised Annual Budget	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total Forecast Expenditure	Variance to Budget	Budget Variance %	
Capital - Funding	(47,000,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	(47,000,000)	100.00%	
Capital Funding	(47,000,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	(47,000,000)	100.00%	
(Over)/Under Funded	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Percentage Spend of Revised Annual Budget	0.00 %																

Scottish Fire & Rescue Service

Capital Forecast Report - Period 1

Capital - Property Major Works

Project Description	Revised Annual Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total Forecast Expenditure	Variance to Budget	Budget Variance %	Comments
		£	£	£	£	£	£	£	£	£	£	£	£	£				
		April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar					
Dalkeith Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	3,600,000													0	3,600,000	100.00%		
Liberton Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	1,700,000													0	1,700,000	100.00%		
Livingston Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	1,000,000													0	1,000,000	100.00%		
Portree Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	900,000													0	900,000	100.00%		
Stewarton Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	800,000													0	800,000	100.00%		
Huntly Fire Station - New Build (RAAC), (Dignified Facilities), (CC)	900,000													0	900,000	100.00%		
Calton Fire Station (Dignified Facilities), (CC), (CoG LSD Reconfigurations)	1,400,000													0	1,400,000	100.00%		
Alloa Fire Station - Reconfiguration (Phase 2), (Dignified Facilities), (CC)	400,000													0	400,000	100.00%		
Stirling Fire Station - Reconfiguration (Phase 2), (Dignified Facilities), (CC)	400,000													0	400,000	100.00%		
Stirling Fire Station - Reconfiguration, (Dignified Facilities), (CC)	950,000													0	950,000	100.00%		
Training Estate	2,300,000													0	2,300,000	100.00%		
Property Project Costs	450,000													0	450,000	100.00%		
	14,800,000	0	0	0	0	0	0	0	0	0	0	0	0	0	14,800,000	100.00%		

Capital - Property Minor Works		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	£	£		
Project Description	Revised Annual Budget	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total Forecast Expenditure	Variance to Budget	Budget Variance %	Comments		
Minor Works - Condition (Elemental Upgrades)	7,850,000													0	7,850,000	100.00%			
Decarbonisation / Environment	1,000,000													0	1,000,000	100.00%			
Change in Accountancy IFRS16 Capitalising of Leases	33,000													0	33,000	100.00%			
	8,683,000	0	0	0	0	0	0	0	0	0	0	0	0	0	8,683,000	100.00%			

Capital - Vehicles		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	£	£			
Project Description	Revised Annual Budget	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total Forecast Expenditure	Variance to Budget	Budget Variance %	Comments		
Aerial Platforms and Bodyworks	1,800,000													0	1,800,000	100.00%			
Light Appliances	425,000													0	425,000	100.00%			
Frontline Appliances	4,400,000													0	4,400,000	100.00%			
Light Fleet - Vans & Cars (incl transition to net zero)	569,077													0	569,077	100.00%			
Control Units/New Dimensions Assets	1,200,000													0	1,200,000	100.00%			
Fleet Project Staff Costs	229,343													0	229,343	100.00%			
Leased Vehicles (IFRS16)	535,000													0	535,000	100.00%			
	8,958,420	0	0	0	0	0	0	0	0	0	0	0	0	0	8,958,420	100.00%			

Capital - ICT																	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast			
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Project Description	Revised Annual Budget	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total Forecast Expenditure	Variance to Budget	Budget Variance %	Comments
PC's, laptops, peripherals	50,000													0	50,000	100.00%	
Replacement & Upgrade of AV Kit	100,000													0	100,000	100.00%	
Server Infrastructure	100,000													0	100,000	100.00%	
Systems Infrastructure	42,000													0	42,000	100.00%	
Network Infrastructure	136,000													0	136,000	100.00%	
Data Centre/Disaster Recovery	100,000													0	100,000	100.00%	
Telephony	100,000													0	100,000	100.00%	
Cyber Security Provision	100,000													0	100,000	100.00%	
ESN Connect- Data First (Awaiting SG Confirmation)	420,000													0	420,000	100.00%	
In Vehicle Systems	255,000													0	255,000	100.00%	
ICT Project Costs	340,000													0	340,000	100.00%	
Digital and Technical Innovation	50,000													0	50,000	100.00%	
IFRS16 Capitalising of Leases (Photocopiers and Franking Machines)	325,382													0	325,382	100.00%	
New Mobilising System	8,707,923													0	8,707,923	100.00%	
	10,826,305	0	0	0	0	0	0	0	0	0	0	0	0	0	10,826,305	100.00%	

Capital - Operational Equipment																	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast			
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Project Description	Revised Annual Budget	April	Mag	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total Forecast Expenditure	Variance to Budget	Budget Variance %	Comments
Operational Equipment	1,120,000													0	1,120,000	100.00%	
SCBA Systems Upgrade / Replacement	412,275													0	412,275	100.00%	
PPE	2,200,000													0	2,200,000	100.00%	
	3,732,275	0	0	0	0	0	0	0	0	0	0	0	0	0	3,732,275	100.00%	
Capital Funding																	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast				
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Project Description	Revised Annual Budget	April	Mag	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total Forecast Expenditure	Variance to Budget	Budget Variance %	Comments
Capital DEL	(47,000,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	(47,000,000)	100.00%	
Capital Receipts Applied - Property NEBY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		#DIV/0!
Capital Receipts Applied - Vehicles NEBY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		#DIV/0!
	(47,000,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	(47,000,000)	100.00%	
Sum:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

SLT Capital Monitoring Report – Example
(also reported to SFRS Board)

SCOTTISH FIRE AND RESCUE SERVICE
Strategic Leadership Team



Report No:

Agenda Item:

Report to:	STRATEGIC LEADERSHIP TEAM																		
Meeting Date:	20 MARCH 2025																		
Report Title:	CAPITAL MONITORING REPORT 2024/25 – FEBRUARY 2025																		
Report Classification:	For Information/Scrutiny	SFRS Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>																	
		A	B	C	D	E	F	G											
1	Purpose																		
1.1	To advise the SLT of the actual and committed expenditure against the 2024/25 capital budget for the period ending 28 February 2025.																		
2	Background																		
2.1	The Budget (Scotland) Bill, passed by the Scottish Parliament on 27 February 2024, set Capital DEL funding for the Scottish Fire & Rescue Service (SFRS) at £43.0m (rounded) for 2024/25.																		
2.2	Additional funding of £0.3m has been received from Scottish Government for ESN projects.																		
2.3	In addition, the Net Book Value on the disposal of non-operational vehicles during the year of £0.249m has been re-invested back into the Fleet Budget and is expected to fully spend out.																		
2.4	The total capital funding for the financial year is £43.575m, as shown in the table below:																		
	<table border="1"> <thead> <tr> <th style="background-color: #800000; color: white;">Funding Source</th> <th style="background-color: #800000; color: white;">Budget £000s</th> <th style="background-color: #800000; color: white;">%</th> </tr> </thead> <tbody> <tr> <td>Capital DEL</td> <td style="text-align: right;">43,326</td> <td style="text-align: right;">99.4%</td> </tr> <tr> <td>Capital Receipts</td> <td style="text-align: right;">249</td> <td style="text-align: right;">0.6%</td> </tr> <tr> <td>TOTAL FUNDING</td> <td style="text-align: right;">43,575</td> <td style="text-align: right;">100.0%</td> </tr> </tbody> </table>							Funding Source	Budget £000s	%	Capital DEL	43,326	99.4%	Capital Receipts	249	0.6%	TOTAL FUNDING	43,575	100.0%
Funding Source	Budget £000s	%																	
Capital DEL	43,326	99.4%																	
Capital Receipts	249	0.6%																	
TOTAL FUNDING	43,575	100.0%																	
3	Progress towards Programme Delivery as at 28 February 2025																		
3.1	Capital Expenditure has been programmed based on available funding as shown in the table below. The approved budgets and forecasts have been updated to reflect budget virements that were																		

approved by the Board and Scottish Government in August/September and updated by Scottish Government in December.

Category	Approved Budget £000s	Expenditure £000s					
		Spend in Progress			Forecast to Year End	Full Year Forecast	Variance to Budget
		Committed	Receipted	Paid			
Property – Major Works	11,318	2,444	4	7,292	1,032	10,772	546
Property – Minor Works	8,047	2,840	0	5,686	70	8,596	(549)
Vehicles	10,359	3,151	82	6,202	924	10,359	0
ICT	7,934	1,226	271	5,158	1,251	7,906	28
Operational Equipment	5,917	634	7	3,907	1,269	5,817	100
TOTAL EXPENDITURE	43,575	10,295	364	28,245	4,546	43,450	125
Percentage of Budget	100.0%	23.6%	0.8%	64.8%	10.4%	99.7%	0.3%

3.2

Position summary as at 28 February 2025

- The actual and receipted capital expenditure to date is £28.609m (65.6%) with a further £10.295m (23.6%) of committed expenditure.
- The current capital forecast is £43.450m compared to the approved capital budget of £43.575m. Underspend has been recently identified in ICT (NMS project) and Operational Equipment totalling £128k. Other areas of spend are being actively pursued and it is currently anticipated this underspend can be fully utilised.
- Property Major and Minor Works have a Budget RAG status of Green as these lines will be managed together for the remainder of the year due to uncertainty about the progress/timing of some projects, however they are expected to balance out.
- ICT (excluding NMS project) has a Budget RAG status of Green.
- Operational Equipment has a Budget RAG status of Amber due to an overall under spend of £100k in connection with the purchase of PPE. Alternative uses are being considered.
- The NMS project has a Budget RAG status of Amber due to an additional underspend of £28k. Alternative uses are being considered within other budget lines.
- Vehicles is on track with a Budget RAG status of Green.
- Budget virements in the Period are detailed in Appendix A.

3.3

Appendix A provides a detailed analysis of the Capital financial position at 28 February 2025.

3.4

The following Actions are in progress:

- Working with our supply chain to establish the capacity available to expedite further minor works and other projects should additional budget become available.
- Working with colleagues to identify other areas of spend where appropriate.

4	Recommendation
4.1	<p>The SLT is asked to approve the following recommendations:</p> <p>(a) that the level of actual and committed expenditure for the period ended 28 February 2025 be noted.</p> <p>(b) that the actions in progress be noted.</p>
5	Key Strategic Implications
5.1	Risk and Risk Appetite
5.1.1	<p>In relation to breaching budgetary limits, SFRS has a Minimalist appetite, aiming to fully utilise but not exceed approved budgets. In exceptional circumstances, where additional spend may be required, that would exceed budget provision, approval may be sought from the Scottish Government.</p> <p>In relation to multi-year capital planning SFRS has an Open risk appetite. We are prepared to initiate capital investment beyond confirmed future funding, aligned to careful monitoring and management, to ensure the maximum possible investment in our asset priorities.</p> <p>The forecast capital spend for the financial year is consistent with our stated risk appetite.</p>
5.2	Financial
5.2.1	Financial implications are detailed within the report.
5.3	Environmental & Sustainability
5.3.1	<p>Environmental and sustainability plans are incorporated within each property project. Investment in Euro 6 fire appliances and electric fleet is making a significant contribution to reducing greenhouse gas emissions.</p>
5.3.2	Investment in decarbonisation projects via additional grants in prior years have improved energy efficiency and this is helping to partially mitigate increases in energy prices.
5.4	Workforce
5.4.1	SFRS employees will benefit from this investment in our asset base.
5.5	Health & Safety
5.5.1	The introduction of new appliances, equipment and property, as well as ICT upgrades, will further enhance the health, safety and welfare of employees and the public.
5.6	Health & Wellbeing
5.6.1	No Health & Wellbeing implications identified.
5.7	Training
5.7.1	The capital programme includes significant investment in training facilities.
5.7.2	Where training is required in relation to new assets, this is co-ordinated through project boards, overseen by the Service Delivery Board.
5.8	Timing
5.8.1	This report covers the period up to 28 February 2025 and known events just after the period end.

5.9	Performance	
5.9.1	Total forecast expenditure at 28 February 2025 is £43.450m compared to the budget of £43.575m, which is detailed at Section 3 and Appendix A.	
5.10	Communications & Engagement	
5.10.1	Key stakeholders are engaged during project development and implementation.	
5.11	Legal and Regulatory	
5.11.1	External legal support is in place to facilitate the sale of assets.	
5.11.2	Following Board approval, it was necessary to seek Scottish Government approval to progress the budget changes through the Accountable Officer (AO) Template process, in light of new expenditure controls now in place. Scottish Government confirmed approval of the budget changes in September 2024.	
5.12	Information Governance	
5.12.1	There are no specific Information Governance implications associated with this report.	
5.13	Equalities	
5.13.1	There are no specific equalities implications associated with this report.	
5.14	Service Delivery	
5.14.1	Capital investment in property, ICT, fleet and equipment is required to maintain and improve service delivery capabilities. The introduction of new assets is closely coordinated between asset management, ICT, training and local service delivery areas.	
5.14.2	Any delays in capital expenditure have implications on their Milestone RAG status and for service delivery in the timing of new assets becoming available for operational use. Delays within the Property Major Works programme are being mitigated through continued use of existing assets.	
6	Core Brief	
6.1	<p>The Director of Finance and Contractual Services advised the Strategic Leadership Team of actual and committed expenditure against the 2024/25 capital budget for the period ending 28 February 2025. The budget has been increased by additional funding of £0.300m for the ESN project and capital receipts of £0.249m resulting in the revised budget of £43.575m.</p> <p>It is currently anticipated that the approved budget of £43.575m will be spent out by 31 March 2025.</p>	
7	Assurance (SFRS Board/Committee Meetings ONLY)	
7.1	Director:	Sarah O'Donnell, Director of Finance and Contractual Services
7.2	Level of Assurance: (Mark as appropriate)	Substantial / Reasonable / Limited / Insufficient
7.3	Rationale:	The financial position is closely reviewed monthly with budget holders, and budget variances and forecasts are highlighted. During the year SLT agree actions to ensure we manage the financial position within agreed financial parameters.
9	Appendices/Further Reading	
9.1	Appendix A – Capital Monitoring Report – February 2025	
Prepared by:		Caroline Adams, Deputy Accounting Manager

OFFICIAL

Sponsored by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Presented by:	Sarah O'Donnell, Director of Finance and Contractual Services	
Links to Strategy and Corporate Values		
The budget recognises the financial resources deployed in delivering against our objectives and to achieve our strategic outcomes outlined in our Strategic Plan 2023-2026 and our aspiration of working together for a safer Scotland.		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>SLT</i>	<i>20 March 2025</i>	<i>For Information/ Scrutiny</i>
<i>Board</i>	<i>27 March 2025</i>	<i>For Information/ Scrutiny</i>

Capital Monitoring Report

February 2025

Safety. Teamwork. Respect. Innovation.

1



Content

- Full Year Actuals/Forecast v Budget by Category
- Year to Date Budget Virements
- Property Major Works
- Property Minor Works
- Vehicles
- ICT Equipment (exc NMS)
- New Mobilising System (NMS)
- Operational Equipment

Capital Monitoring Report – February 2025

Full Year Actuals/Forecast v Budget by Category

Category	Original Budget	Virements	Revised Budget	Actuals			Forecast	£000's			
				Q1	Q2	Q3	Q4				
				Apr-Jun	Jul-Sept	Oct-Feb	Mar	Total	Variance to Budget	Variance (%)	Budget RAG Status
Property Major Works	13,330	(2,012)	11,318	1,086	2,376	3,834	3,476	10,772	546	5%	Green
Property Minor Works	5,720	2,327	8,047	356	1,284	4,046	2,910	8,596	(549)	(7%)	Green
Vehicles	5,426	4,933	10,359	13	514	5,757	4,075	10,359	0	0%	Green
ICT	13,053	(5,119)	7,934	432	1,651	3,346	2,477	7,906	28	0%	Yellow
Operational Equipment	5,497	420	5,917	554	1,308	2,052	1,903	5,817	100	2%	Yellow
Total Expenditure	43,026	549	43,575	2,441	7,133	19,035	14,841	43,450	125	0%	Yellow
Cumulative Total				2,441	9,574	28,609	43,450				

Capital Monitoring – February 2025

Year to Date Budget virements

Category	Original Budget £000s	Total Virements £000s	Revised Budget £000s	Commentary
Property Major Works	13,330	-2,012	11,318	Internal virements in Period 2. £1.100m vired from Site Purchase (RAAC replacement opportunity led) with £0.590m to Salen, £0.300m to Galashiels, £0.110m to Dingwall and £0.100m to Newcraighall. Internal virement in Period 3 with £0.010m vired from Crewe Toll Fire Station to Property Project Costs. Internal virements for Property Major Works in period 5 totalled £0.530m, vired to Minor Works. Virements for Property Major Works in period 9 totalled £0.588m from NMS. Net movement at Period 11 (£2.012m)
Property Minor Works	5,720	2,327	8,047	Internal virement in period 5 for £0.530m from Property Major Works to Minor Works. Virement in period 5 from NMS of £1.54m to Minor Works. Virements in Period 9 from NMS of £0.257m. Net movement at Period 11 is £2.327m.
Vehicles	5,426	4,933	10,359	Internal virements in Period 3 for £1.177m vired from Light Appliances with £0.423m to Medium Weight Pumping Units, £0.404m to Wildfire Vehicles and £0.350m to Technical Rope Rescue Units. Virement in period 5 from NMS for £4.225m to Frontline Appliances (£3.675m) and DIM (£0.550M). Virement in Period 8 from capital receipts (£0.190M). Virement in period 10 from NMS for £0.389m to frontline appliances. Virements in period 11 from Operational Equipment for £0.070m and £0.059m from capital receipts to Light Vehicles. Net movement at Period 11 is £4.933m.
ICT	13,053	-5,119	7,934	Operational Mobilisation. Virement in period 5 with £6.000m vired from NMS to Fleet, Property and Ops Equipment. Virements in Period 9 totalling £0.845M from NMS to property. Virement in period 10 of £0.389m from NMS to Fleet. Virements in Period 11 of £0.080m from Operational equipment. Net movement at Period 11 is (£5.119m).
Operational Equipment	5,497	420	5,917	Virement of £0.570m from NMS to Operational Equipment in period 5. Virements of £0.070m Fleet and £0.080m to ICT in Period 11. Net movement at Period 11 is £0.420m.
Total	43,026	549	43,575	
Project Funding				
Capital DEL	-43,026	-300	-43,326	Approved GIA budget of £43.026m. Additional budget of £0.300m for ESN projects.
Capital Receipts		-249	-249	£0.190M vired to Vehicles in Period 8. £0.059 Vired to Vehicle in Period 11.
Total	-43,026	-549	-43,575	



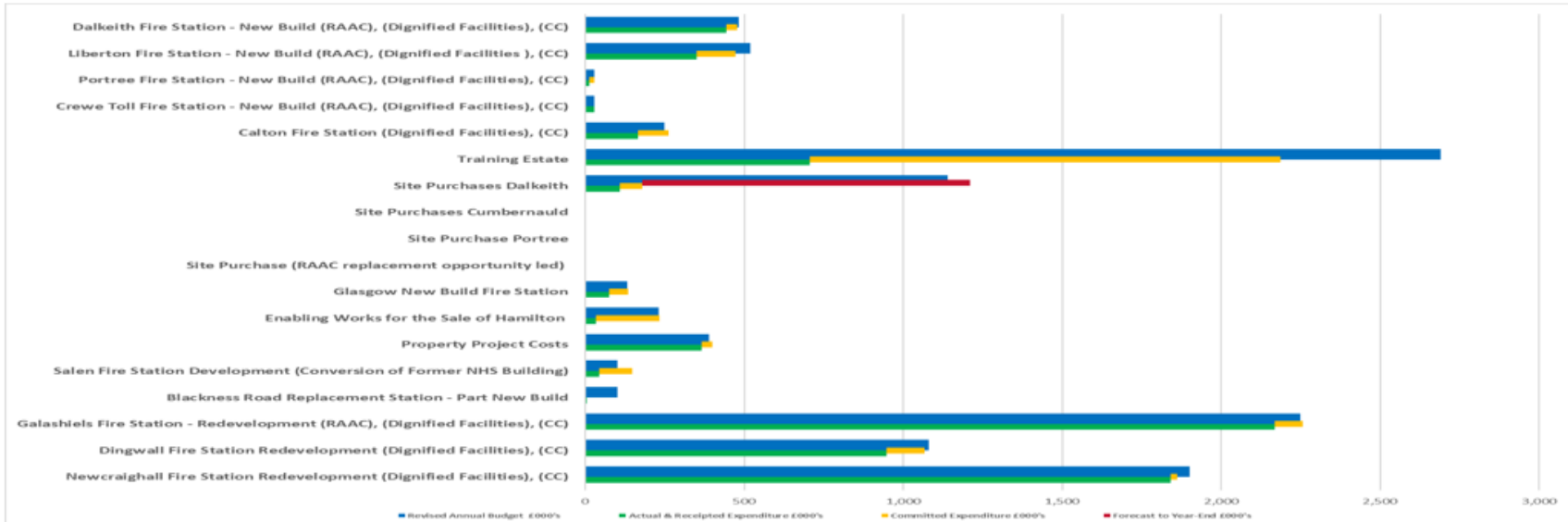
Property Major Works

Progress in the month

- Calton Contract negotiation is progressing
- Work commenced on West Occupational Health Facilities
- Galashiels RAAC work is complete

Progress anticipated in coming months

- Progression of site purchase for Dalkeith.
- Expected Delivery of Container on 31st of March for the CFBT replacement program.
- Conversion works at Salen fire station to be completed by end of March.



Milestone RAG

- 5 projects have a RAG status of Amber and the remainder have a RAG status of Green. There is an anticipated underspend but this is expected to be covered by the overspend for minor works. The RAG status is therefore green for the current year because of compensating variances.

Deviation from Budget RAG

- Expected underspend of £548k but should be offset by minor works overspend of £549k.



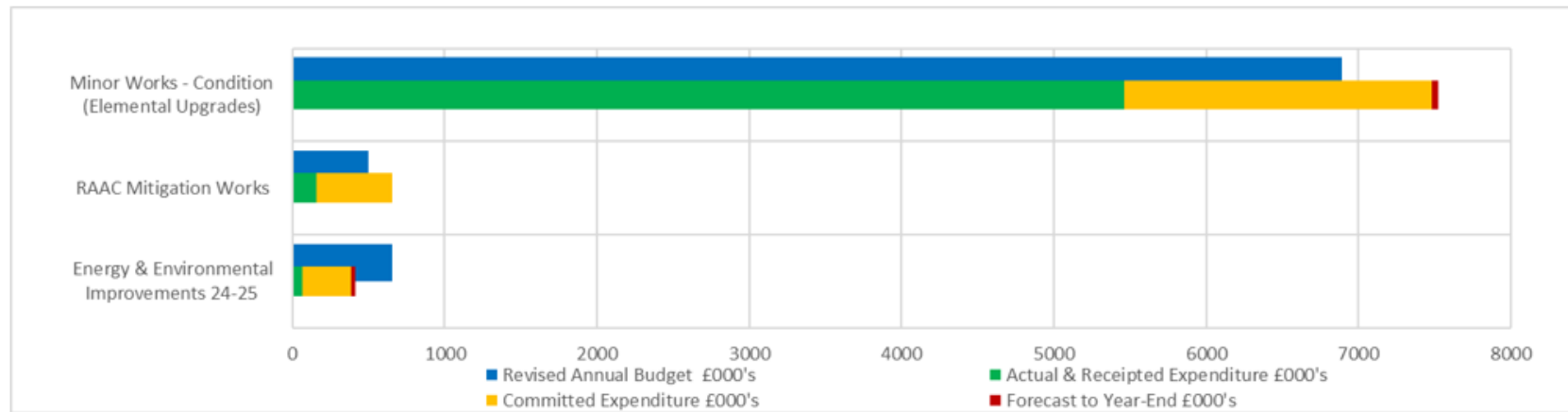
Property Minor Works

Progress in the month

- **Minor Works** - 198 Complete, 39 In Progress, 5 Programmed, 4 Instructed awaiting program, 2 being Priced, 1 In Design, 5 proposed awaiting assessment/funding.
- **RAAC** -1 Complete, 4 In Progress, 6 Instructed awaiting program, 2 being Priced,
- **Energy & Environmental** - 4 Complete, 13 Instructed awaiting program.

Progress anticipated in coming months

- **Minor works** - will progress to completion through financial year end and 25-26 programs will commence design and pricing.



Milestone RAG

- Awaiting prices on Energy and Environmental works. Overall a Milestone status of Green to take into account compensating variances in Major works.

Deviation from Budget RAG

- Property Minor Works is green as there is an anticipated overspend which should be covered by an expected underspend in Major works.



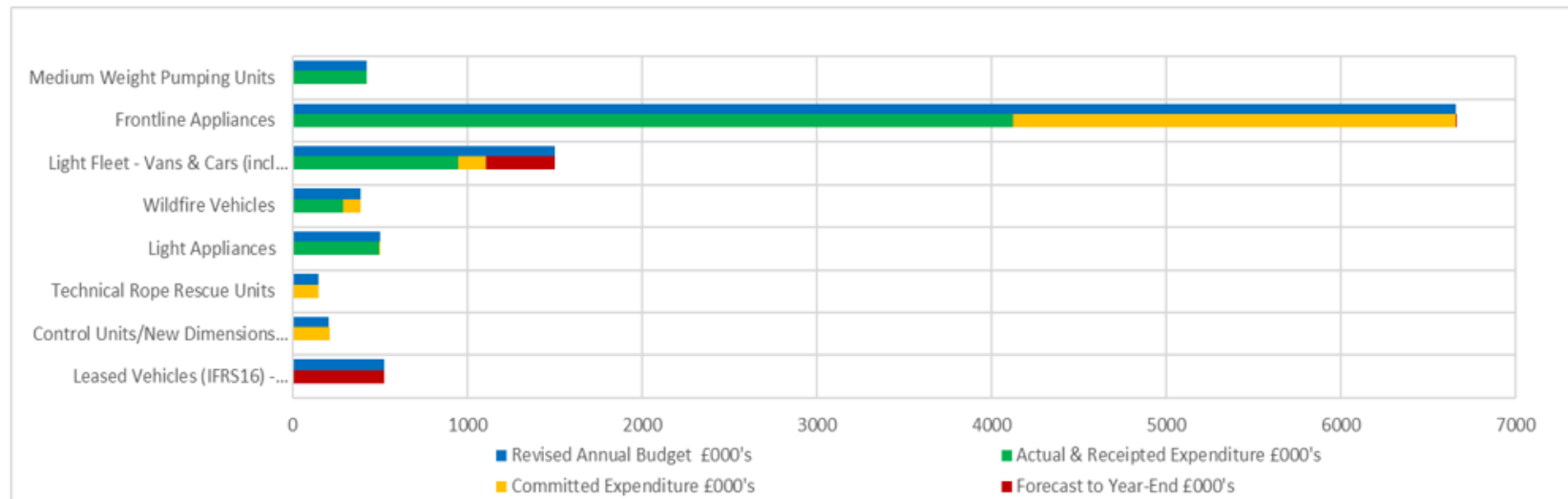
Vehicles

Progress in the month

- Taken delivery and paid for 30 Kia Niro EV's, 5 Ford Rangers and 1 Mercedes Stores Van.
- Final 20 Scania Chassis delivered and now all 30 units are at the body builders.

Progress anticipated in coming months

- Expected delivery of an additional 9 Kia Niro EV's, 1 Management Team Car and 2 Mercedes vans.
- Also 4 Wildfire Units and 4 base vans are expected by the end of the financial year.



Milestone RAG

- All Fleet projects are on track with a Milestone RAG status of Green.

Deviation from Budget RAG

- Budget RAG status is Green.



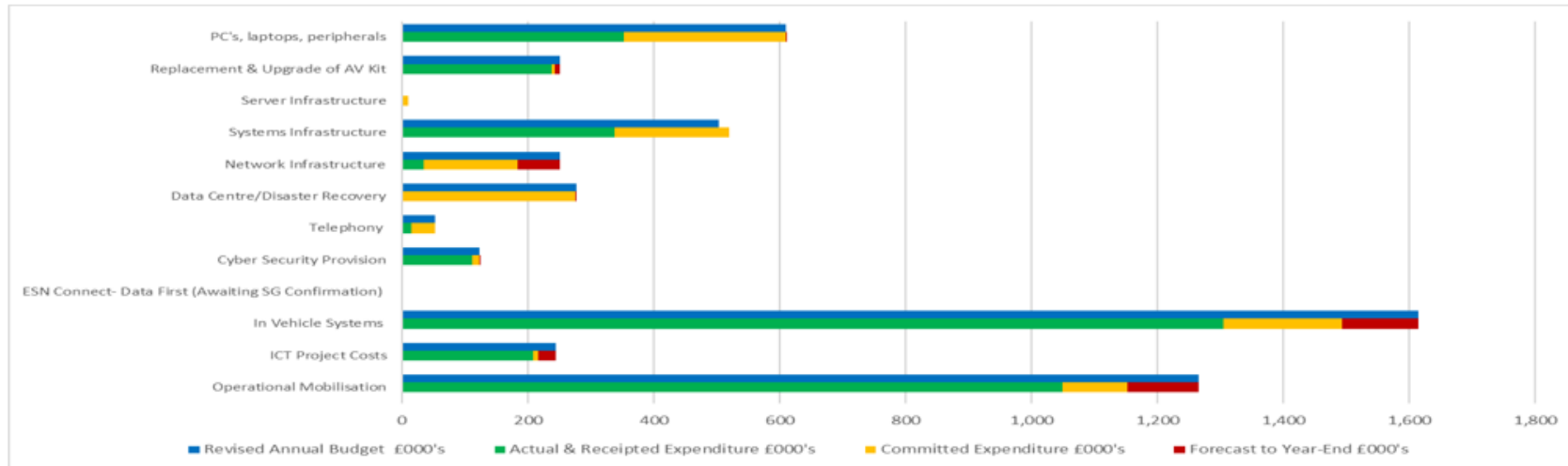
ICT Equipment (excl NMS)

Progress in the month

- Work progressed on Home Fire Safety Visit Project and on the AV Upgrade rollout.
- Brought forward commitments from 25/26 for PCs and System Infrastructure to address previously identified underspends within ESN Connect and IVS lines.
- Professional resource secured to support network switch configuration and rollout.

Progress anticipated in coming months

- The remaining AV installs are scheduled for March.
- Orders have been placed for PCs, laptops, CF33 devices and network hardware, all with delivery dates in March.
- Phase 2 of the Saughton House preparation work has been brought forward to mid-March.



Milestone RAG

- The ESN device installations will now happen next year.
- We are still awaiting the contract award for In Vehicle Systems Tablet Brackets.

Deviation from Budget RAG

- Budget virements have been completed to redistribute the ESN underspend bringing forward ICT project expenditure earmarked for next year.



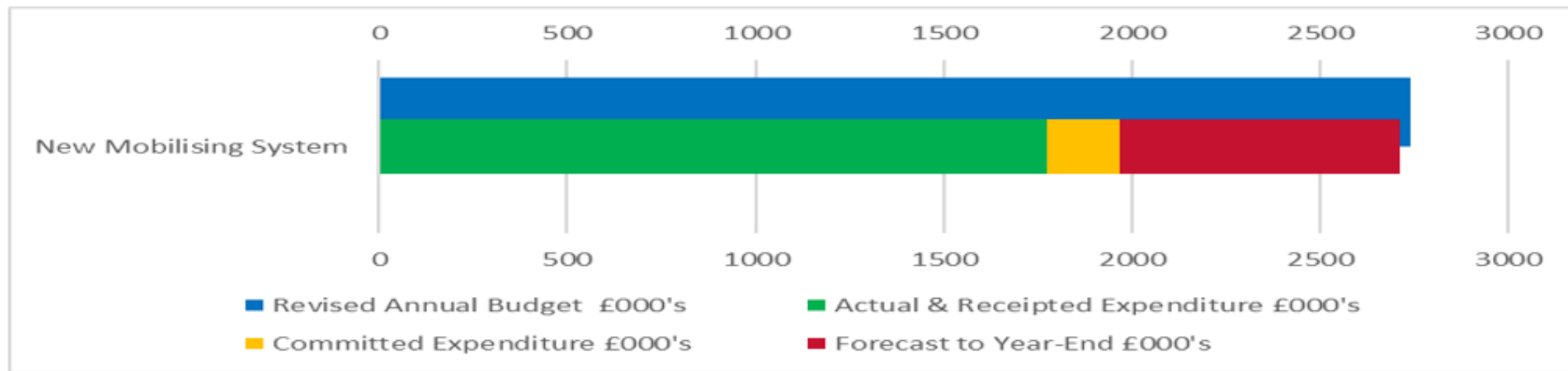
New Mobilising System (NMS)

Progress in the month

- Milestones for Detailed design and implementation plan and NMS workflow completed and approved for payment by Project Board.
- Technical advisor support work began in the month.
- ICCS Configuration and CAD integration workshops held in February. The outputs from these will feed into next stages.

Progress anticipated in coming months

- Costs confirmed for works to install internet connections for all three Control Rooms to deliver the hosted solution.



Milestone RAG

- Projected milestones for the financial year are now complete. On track to meet project delivery date.

Deviation from Budget RAG

- Potential underspend of £28k identified from project contingency. Exploring options to utilise this budget.

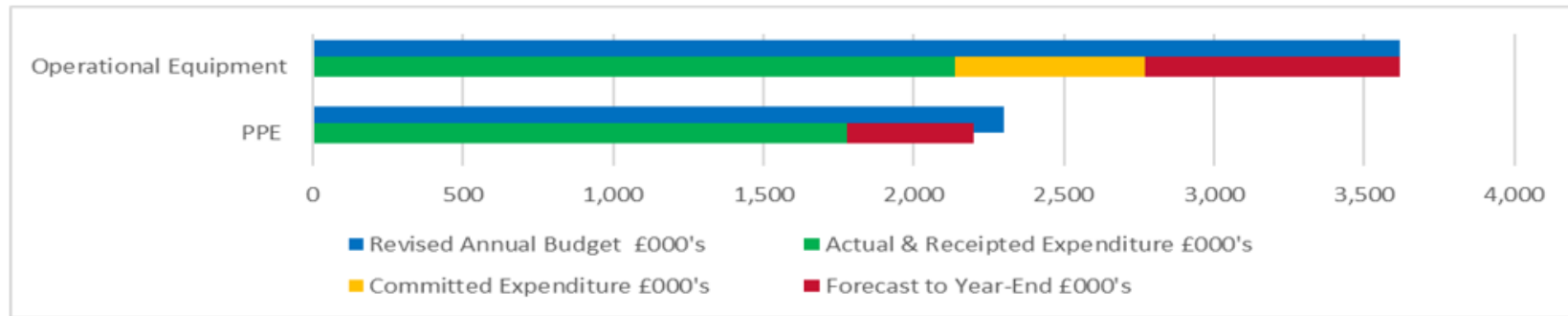
Operational Equipment

Progress in the month

- The contaminants project has begun and progressing well and the first delivery of airing rails and cages have been received.
- Work is progressing to establish the final impact of the National PPE contract price increase.

Progress anticipated in coming months

- Operational Equipment budget to fully spend out by end of year.
- Expected deliveries of Safe Working at Height Kits, Airbags, Heavy Rescue sets and Mainline branches.



Milestone RAG

- Deliveries of PPE and Operational Equipment are now expected in March.

Deviation from Budget RAG

- Budget RAG status is Amber due to overall budget underspend of £100k. Other Budget Holders are being consulted regarding options to spend.
- Current stock levels will continue to be monitored.