

## Appendix D

### Thames Valley Renewal Account Long Term Forecast (LTF)

The Inter Authority Agreement (the agreement) Schedule 7, Part B, 2.1 sets out that RBFA shall provide a forecast of capital expenditure for each year over the life of the Agreement. The Agreement in its current form terminates in 2030.

The table below provides details of Capex spending to date as per the agreed profiles for 2022/23 and 2023/24 (there was no Capex profiled prior to 2022/23). It provides a forecast based on the current Capex contribution of £50k per Authority.

Funding will be required for a full system replacement by April 2030 due to the expiry of the Agreement and all current system contracts. It is likely that the Authorities will need to consider whether future systems are 'cloud' based, reducing the demand on capital spending but increasing the impact on revenue spending. Some capital outlay will be necessary and the prudent approach to maintaining the Renewals Account is recommended. However, further clarity is required to fully understand the likely funding profile and, over the next 12-24 months, Officers will work with colleagues from across the sector who are procuring system replacements to refine the TVFCS forecast expenditure on systems.

<b>Renewal account Long Term Forecast</b>	
<b>Balance as at 31 March 2022</b>	<b>£1,912k</b>
Contribution 2022/23	£150k
Interest 2022/23	£55k
2022/23 Capex Programme <sup>i</sup>	<b>-£265k<sup>i</sup></b>
<b>Balance as at 31 March 2023</b>	<b>£1,852k</b>
Contribution 2023/24	£150k
Interest 2023/24	£113k
2023/24 Vision Hardware replacement – final payment]	<b>-£284k<sup>ii</sup></b>
<b>Balance as at 31 March 2024</b>	<b>£1,831k</b>
Contribution 2024/25	£150k
Interest 2024/25	£59.5k
2024/25 Capex programme spend ( Video Monitoring system)	<b>- £72k<sup>iii</sup></b>
2024/25 Capex Programme [See appendix C - ICCS hardware refresh]	<b>-£665k<sup>iv</sup></b>
<b>Balance as at 31 March 2025</b>	<b>£1,303.5k</b>
Contribution 2025/26	£150k

Interest 2025/26	£29k
<b>Balance as at 31 March 2026</b>	<b>£1,482.5k</b>
Contribution 2026/27	£150k
Interest 2026/27	£32.6k
<b>Balance as at 31 March 2027</b>	<b>£1,665.1k</b>
[Commission replacement project]	
Contribution 2027/28	£150k
Interest 2027/28	£36.3k
<b>Balance as at 31 March 2028</b>	<b>£1,851.4k</b>
Contribution 2028/29	£150k
Interest 2028/29	£40k
<b>Balance as at 31 March 2029</b>	<b>£2,041.4k</b>
Contribution 2029/30	£150k
Interest 2029/30	£44k
<b>Projected total at end of current agreement (April 2030)</b>	<b>£2,235.4k</b>

i) The 2022/23 Capex programme included the following - £248k milestone payment for the Vision hardware refresh and associated £8k project management costs. A payment of £9k was also made for a replacement Uninterrupted Power Supply for Secondary Control.

The 2022/23 Capex budget contingency of £88k was not utilised.

ii) As agreed at TVFCS Joint Committee July 2023 the final payments for the Vision Hardware refresh were to be paid in 2023/24 and amount to £248k. In addition, there are also the remaining project management costs of £36k.

iii) The total Capex Profile for 2023/24 was £181,500, including an inflationary uplift. This included provision for replacement of the voice recording system at circa £90k. This was not delivered in 2023/24 as it will be included in the ICCS hardware replacement due to be delivered in 2024/25 instead.

Furthermore, the 2023/24 profile set aside an estimated figure of £50k for replacement of a video monitoring system. The actual cost of the contract was £72,351.28.

The 2023/24 Capex budget contingency of £16.5k was not utilised.

iv) The 24/25 Capex is set out in appendix C of the 24/25 TVFCS budget papers.

GREEN SECTION - Inter Authority Agreement clause 30.1 states that three years prior to the Expiry Date the Fire Authorities shall discuss whether each Fire Authority (or the Remaining Fire Authorities, as appropriate) wish to continue to participate in TVFCS following the expiry of this Agreement, with a view to reaching a decision by two years prior to the Expiry Date.

#### Interest accrued

The agreement also sets out that OCC will hold the Renewals Account balance and invests it in line with its treasury management policies. The average interest rate earned on all of its investments will be applied to the Renewals Account balance and the corresponding amount of interest shall be added to the Renewals Account balance.

RBFA shall be responsible for accounting and budgeting in relation to the Renewals Account. OCC shall inform RBFA of the interest earned in each Financial Year.