



# LFB Finance and Performance report

Quarter 1 2022/23



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## Introduction and Background

1. This report presents the forecast revenue position as at the end of June 2022 (Qtr. 1).
2. All departments review their actual income and expenditure on a monthly/quarterly basis and provide an updated forecasted outturn position and explanation of variances, against all their budgets. These returns then form the basis of reporting to the Investment and Finance Board and from there on to the Commissioner's Board.

### Mayor's Final Draft Budget for 2022/23

3. The Mayor of London published his Budget Guidance for 2022/23 on 30 July 2021, which set out provisional funding levels for the LFC over a three year period. The LFC then provided a Budget Submission to the Mayor addressing the requirements set out in the Guidance by the deadline of 26 November 2021.
4. The Mayor's final draft budget was then approved without amendment by the London Assembly on 24 February 2022 which included increases to LFC funding allocations over that three year period of £47.4m from 2021/22 levels to 2024/25, with funding of £421.8m in 2022/23.

### Draft Statement of Accounts

5. The draft Statement of Accounts was approved by the Chief Finance Officer (Director of Corporate Services) on 31 May 2022, and is now subject to external audit, with final audited accounts to be approved by the London Fire Commissioner (LFC) and published by 30 November 2022.

### Revenue

6. The forecast revenue outturn position at the end of June 2022 is for an overspend of £4,145k, which is 0.9% of the net revenue budget. This is mainly due to operational overtime.

7. This overspend position would result in a draw against the general reserve if not reduced by the end of the financial year, which would reduce it well below minimum forecast levels. This would then necessitate that funding is identified to return the reserve to required levels.
8. Work has been carried out to identify options to reduce the current forecast overspend position. This work included a review of the drivers of current overtime spending, a review of earmarked reserves to see what could be released, a review of recruitment levels for both FRS and Operational staff, a review of approved growth for 2022/23 that has not yet been implemented, identification of in-year savings and an analysis of what spend areas could be reduced in-year along with the associated impact. In-year spend reductions could also be achieved through a review of which budgets are not yet committed, for example on building maintenance.

### Capital

9. The original budget for the 2022/23 capital programme was £44,996k, as per the Capital Strategy approved as part of the 2022/23 Budget report (LFC-0679). The budget was increased to £47,476k following the capital outturn position for 2021/22 reported as part of the Outturn Financial Position report (LFC-0713), with £2,480k carried forward to 2022/23. This report forecast an underspend of £18,284k as at end of June 2022 due to reprofiling.
10. The key variances are explained in more detail in directorate section where applicable.

# London Fire Commissioner Performance

## HOME FIRE SAFETY VISITS

**38,374**

up by 9% compared to last quarter

## ONLINE HOME FIRE SAFETY CHECKS

**1,239** (Apr-Jun)

Down by 39% compared to last quarter

## BUILDING CONSULTATIONS

**2,205** (Apr-Jun)

Up by 4% compared to last quarter

## TRAINEE FIREFIGHTER INTAKE

**25% ETHNIC MINORITIES**  
**37.5% WOMEN**

Ethnic minorities down by 47%, women no change compared to last quarter

## STAFF SICKNESS

**7.77%**

Up by 7% compared to last quarter

## APPLIANCE ARRIVAL TIMES

**1<sup>st</sup> 5:12** (m:ss)

**2<sup>nd</sup> 6:41** (m:ss)

1<sup>st</sup> no change, 2<sup>nd</sup> up by 0.8% compared to last quarter

## FIRES IN THE HOME

**4,903**

Down by 0.3% compared to last quarter

## RIDDOR INCIDENTS

**62**

Up by 10.7% compared to last quarter

## CO2 REDUCTION

**59.1%**

Up by 0.3% compared to last year

## STATUTORY INFO REQUESTS handled on time

**85.3%**

Up by 20.3% compared to last quarter

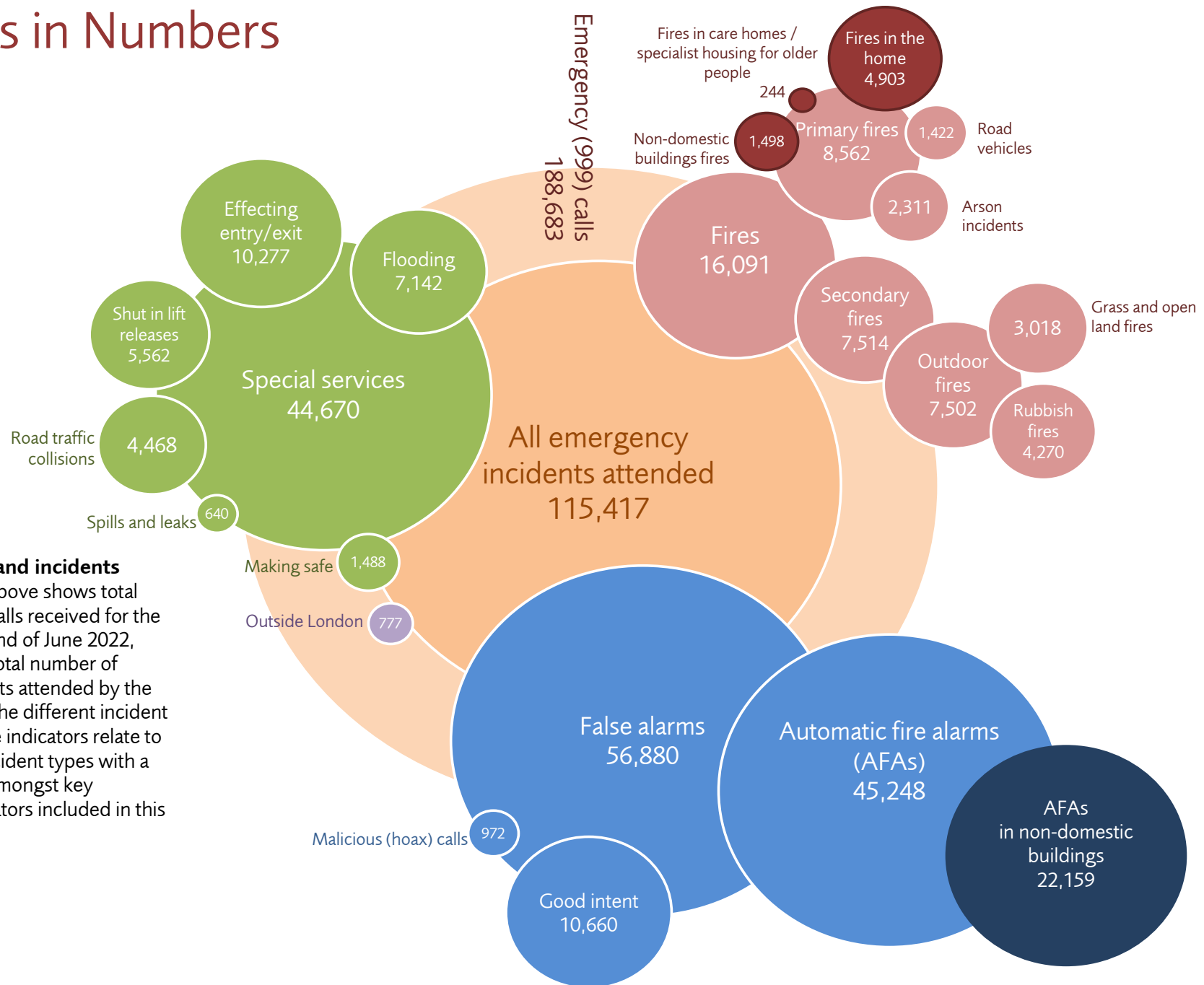


### KEY

- Response
- Prevention & Protection
- Our People
- Resources

Data is displayed as 12 month rolling, unless stated otherwise  
The performance indicators are subject to ongoing review

# Incidents in Numbers



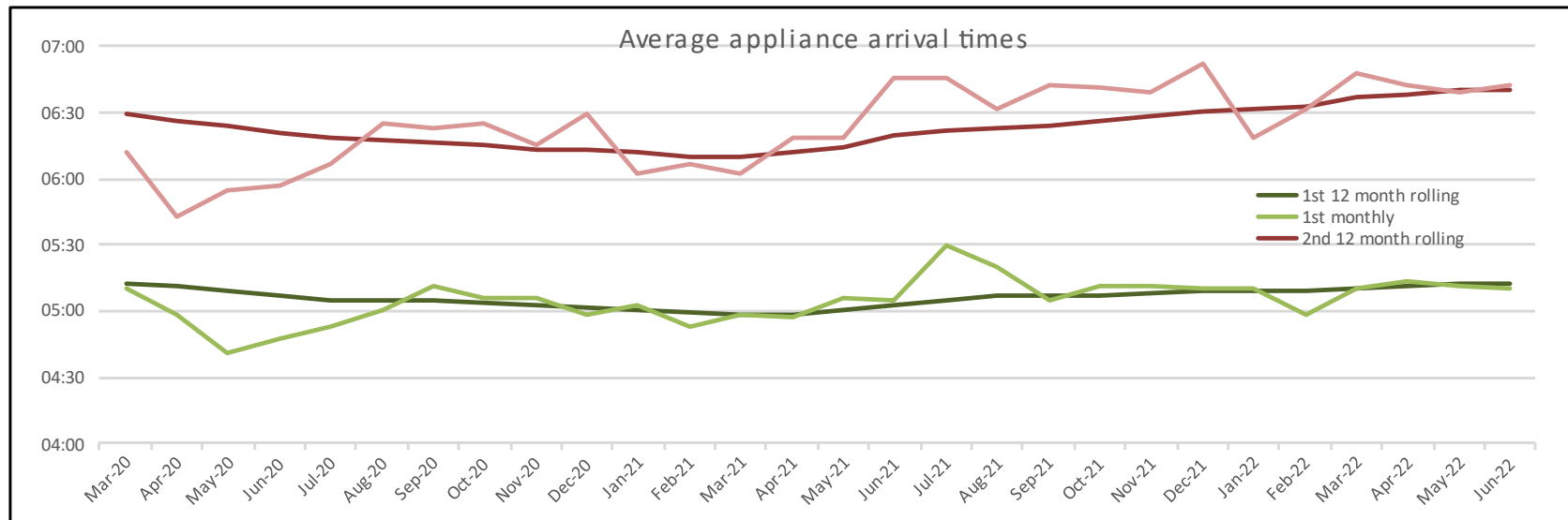
## Emergency calls and incidents

The bubble chart above shows total emergency (999) calls received for the 12 months to the end of June 2022, together with the total number of emergency incidents attended by the Brigade, and how the different incident based performance indicators relate to each other. The incident types with a darker colour are amongst key performance indicators included in this report.

# LFB Performance Headlines

- Average waiting times remain within target
- 16/38 targets met
- 11 KPIs have seen a **positive** shift in performance
- 10 KPIs have seen a **negative** shift in performance
- 18 KPIs have seen **stable** performance

Grenfell Recommendations Completed	HMI Recommendations Completed
26/29	18/26



# SPC Charts

The graphs in the following report are mostly represented as SPC charts. These are statistical process control charts which show you whether there has been any statistically significant change. This change can take two forms:

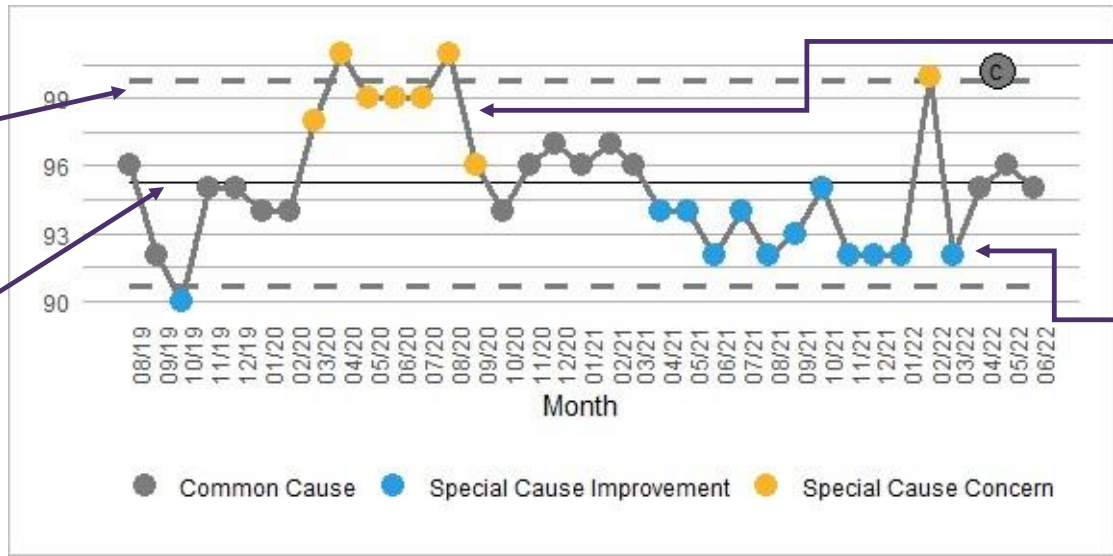
- **Outliers** are data points which sit outside the control limits and represent true statistical outliers.
- **Shifts** are when we see a run of 7 or more data points either above or below the mean.

The next slide will show an example.

# Example SPC chart

Grey dashed lines represent the upper and lower control limits

The thin black line represents the mean



The run of yellow dots in 2020 show statistically poor performance over this timeframe, with two negative outliers.

Blue dots represent positive variation outside of expected limits. Here we have a run of >7 blue dots all below the mean which represents a statistically significant improvement in performance.

12 month rolling target 100 | Jun 2022: 94 ✓

Where there is a target, this bar will tell you the threshold and the latest month performance. The colour of the box tells you whether the target has been passed or failed whereas the fill tells you the RAG rating. E.g. this measure has a green fill with a tick meaning it is RAG rated green and the target has been passed.





# Prevention

Percentage of time on community safety and number of HSFVs have returned to normal limits following a significant drop at the start of covid. Positive outlier for time spent on community safety activity.

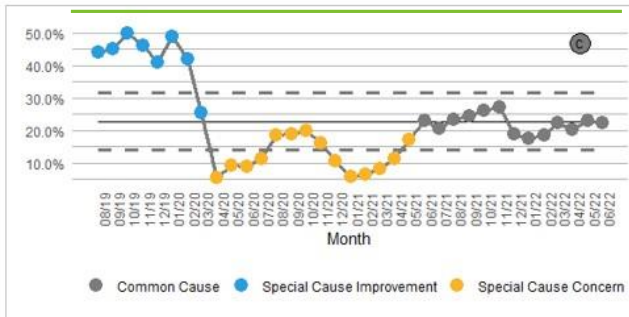
H8 : Home Fire Safety Visits - monthly



12 month rolling target 76,000 | Jun 2022: 38,276



NEW : Percentage of P1 people (high-risk) Home Fire Safety Visits as proportion of overall target - monthly



Monthly target 75% | Jun 2022: 22.4%



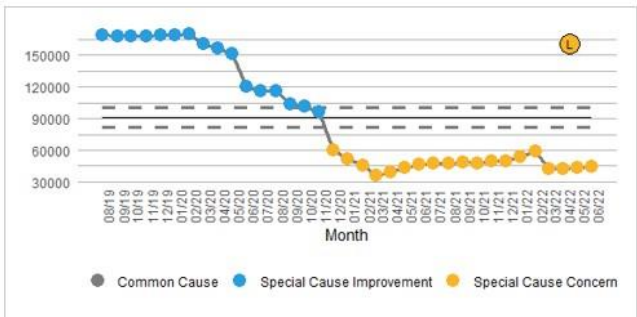
CO1 : Time by station staff on community safety - monthly



12 month rolling target 10% | Jun 2022: 8.21%



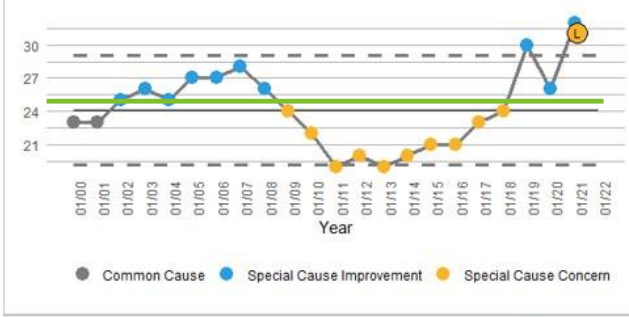
H9 : Educating young people on fire & other emergencies - 12 month rolling



12 month rolling target 100,000 | Jun 2022: 44,262



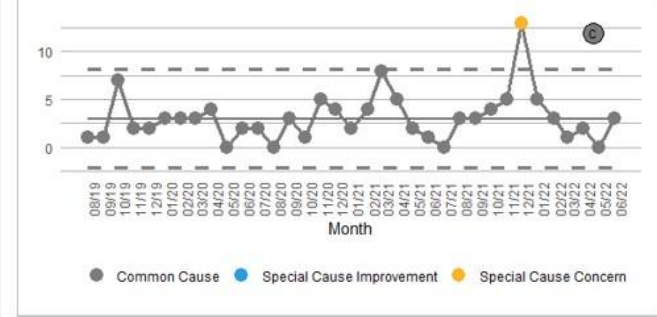
H1 : Boroughs below the national average rate for primary fires - annual



Annual target 25 | 2020/21: 32



All fire deaths - monthly



10 year average target 50 | Jun 2022: 46



# Prevention

Targets for injury from fire and rate of home fires met. Negative statistical shift for accidental deaths starting in November 2021, though it is decreasing.

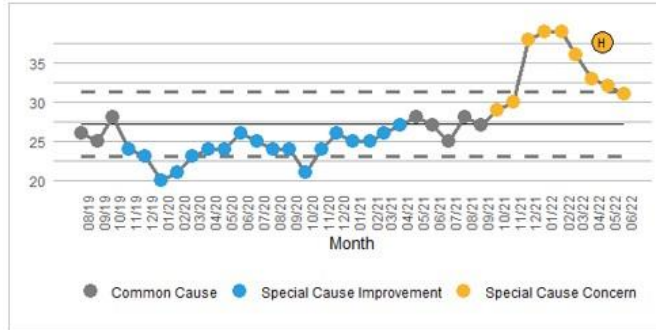
**Injury from fire – 12 month rolling**



5 year rolling average target 1000 | Jun 2022: 779



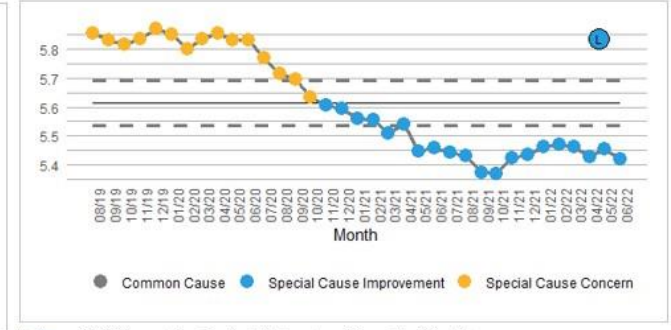
**Accidental fire deaths in the home – 12 month rolling**



10 year rolling average target 35 | Jun 2022: 35



**Fires in the home – rate per 10,000\***



\*rate per 10,000 population is calculated based on 12 month rolling data

12 month rolling target 6,000 | Jun 2022: 4,880



# Protection

Number of false alarms due to AFA in non-domestic buildings have returned to normal limits following a period of significant increase. The rate of non-residential fires has been increasing since October 2021. Significant improvement seen in percentage of alleged risk risks addressed within target.

H10 : All fire safety audit/inspections - monthly



Year end cumulative target 9,000 | Apr-Jun 2022: 1,510 X

NEW : Fire safety audit/inspections in high-risk premises - monthly



Monthly target 420 | Jun 2022: 205 X

CO2 : Alleged Fire Risks addressed within 3 hours - monthly



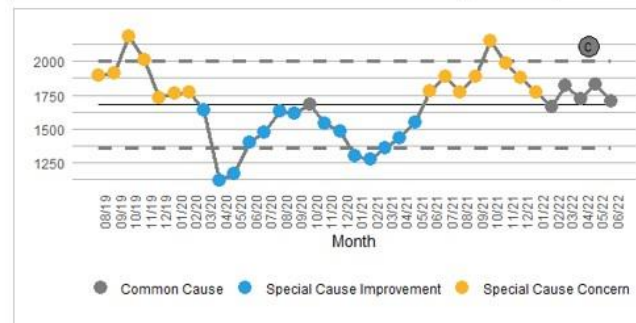
12 month rolling target 90% | Jun 2022: 93.79% ✓

NEW : Number of Fire Safety Checks - monthly



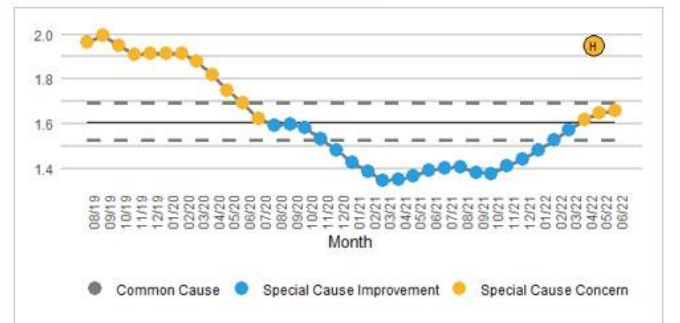
Year end cumulative target 20,000 | Apr-Jun 2022: 3,588 X

H11 : False alarms due to AFA non-domestic buildings - monthly



12 month rolling target 20,000 | Jun 2022: 22,071 X

Fires in other buildings - rate per 10,000\*



\* rate per 10,000 population is calculated based on 12 month rolling data

12 month rolling target 2,500 | Jun 2022: 1,491 ✓

LONDON FIRE BRIGADE

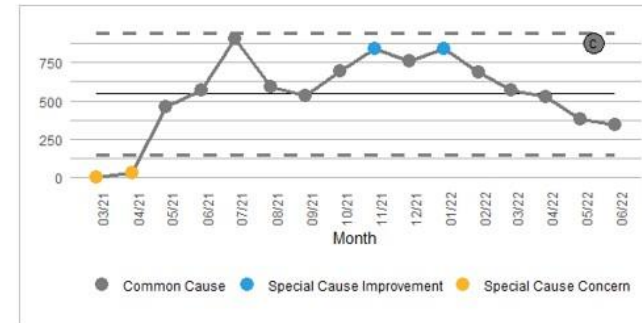
# Online Protection & Prevention Activity

The number of triages has dipped over the last couple of months. The number of building consultations remains stable just below 20/21 performance.

Online Home Fire Safety Checker Activity



NEW : Number of online HFSV triages – monthly

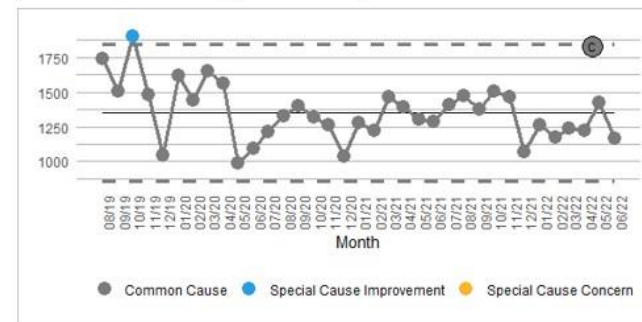


Year end cumulative target 15,000 | Apr-Jun 2022: 1,245 X

Number of building consultations



NEW : Number of building consultations



Apr-Jun 2022: 3,816 N/A



# Key Points & Actions

## Key Points from Last Month

- Rate of non-residential fires continues to increase steadily
- Audit numbers are low
- Building consultation regulations just below previous year
- Lowest quarter for fire deaths



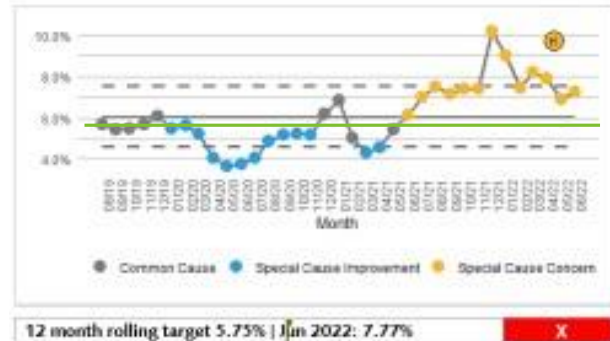
## Key Actions for This Month

- The business intelligence team will provide some analysis in time for August Performance Board with a view to identifying trends.
- We are currently doing a deep dive of the causes behind this but we know the main contributors are a lower rate of competency for staff (a drop of circa 20% compared to the previous year). Vetting processes mean that audits are added retrospectively to months once cleared in the vetting process; there is currently a larger than usual reported backlog. Finally, there was a large volume of work linked to the Building Risk Review in late 2020 to December 2021, which supported 'volume' work.
- The volume of BRCs is directly linked to what is submitted to LFB by Building control bodies and Approved Inspectors. In terms of performance, although the Building Design & Consultation Hub is not yet fully established, we have met the target of 15 working days 75.82% of the time, for all consultations.
- This has been the lowest quarter for fire deaths in recent years.

# People

Negative statistical shift in the percentage of working day lost to sickness across the LFB including specifically stress, anxiety and depression. All other measures remain stable. Skill gap figures are identical to last month.

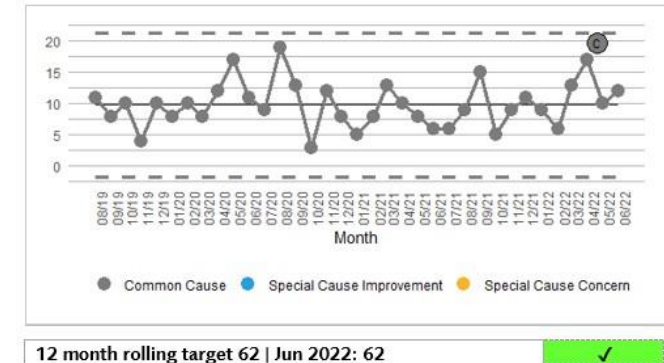
NEW : Av. no. working day lost to sickness – All staff



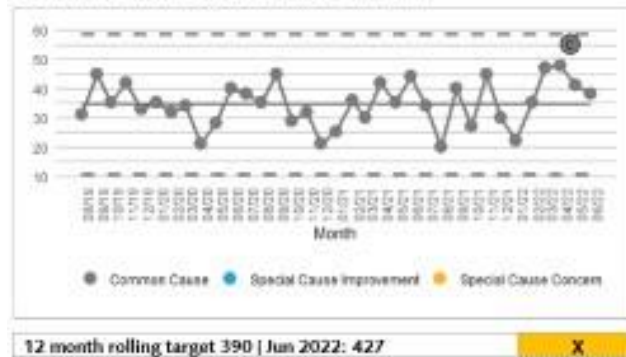
% working days lost to stress, anxiety & depression - monthly



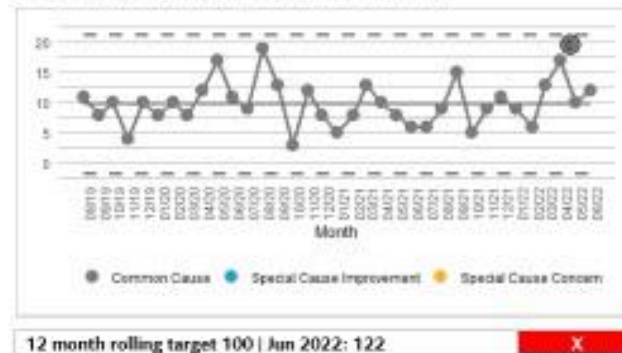
CO13 : RIDDOR - monthly



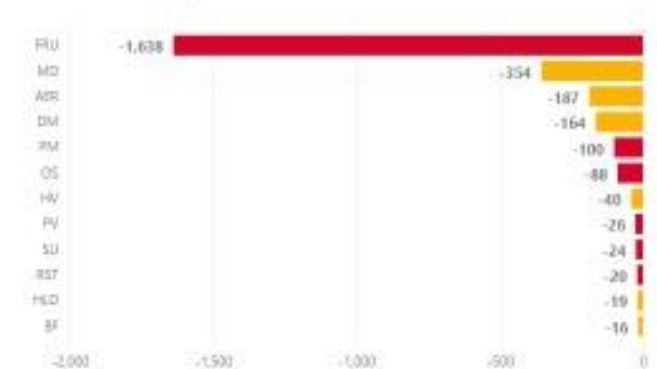
CO11 : RTCs involving Brigade vehicles - monthly



CO12 : Injuries from operational incidents - monthly



Fire Station Skills Gap Current Location



# People: Equality & Diversity

Targets for percentage of trainee firefighter intake who are BAME or female is above target in April.

CO7B : Trainee firefighter intake - % women - 12 month rolling



12 month rolling target 35% | Jun 2022: 37.5%



CO7A : Trainee firefighter intake - % Black, Asian and Minority Ethnic - 12 month rolling



12 month rolling target 40% | Jun 2022: 25%



% Top Management Group who are BAME



Target 15% | Jun 22: 6.4%

% Top Management Group who are Women



Target 35% | Jun 22: 23.4%

# Key Points & Actions

## Key Points from Last Month

- Percentage of working day lost to sickness remains significantly higher than average
- EDI trainee firefighter intake update
- RIDDOR & Operational injuries



## Key Actions for This Month

- A refreshed Wellbeing Strategy is being finalised which includes a range of activities many of which are already underway, such as a new Supporting Health & Wellbeing Policy (to be launched in Summer 2022), and a Mental Health Policy, both aimed at improving employee wellbeing and reducing sickness absence.
- The intake of trainee BAME firefighters in quarter one is lower than the previous quarter. The Brigade have recommenced outreach attraction activity following Covid19 and the recruitment pause, which impacted building a talent pool from underrepresented groups. There is a programme of activity planned to engage with this group in the community to attract greater diversity into the Brigade.
- The new intake of female firefighters remains above target. This growth is reflective of the significant engagement work carried out to attract women before the recruitment freeze in 2021 and the digital marketing campaigns to specifically attract this group. Where additional fitness support was required with this group, positive action was used to help support them to prepare for the physical assessments, and this has had a beneficial impact.
- 'RIDDOR injuries' and 'injuries from operational incidents' have been maintained at target levels for 12 months. The recent introduction of analytical risk assessment on the incident ground should further reduce operational injuries, where most RIDDOR injuries occur.



# Response

Arrival times continue to be above target for both 10 and 12 minutes. The average time to appliance dispatch and percentage of calls answered within 7 seconds are stable.

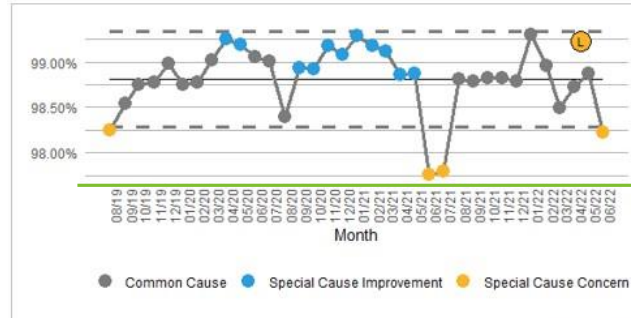
**H15 : 1st appliance arrival 10 mins or less - monthly**



12 month rolling target 90% | Jun 2022: 96.86%



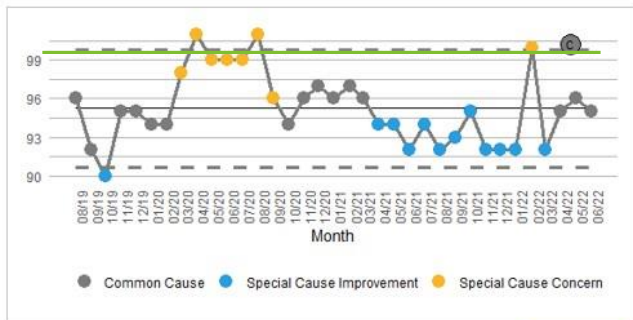
**H16 : 1st appliance arrival 12 mins or less - monthly**



12 month rolling target 95% | Jun 2022: 98.70%



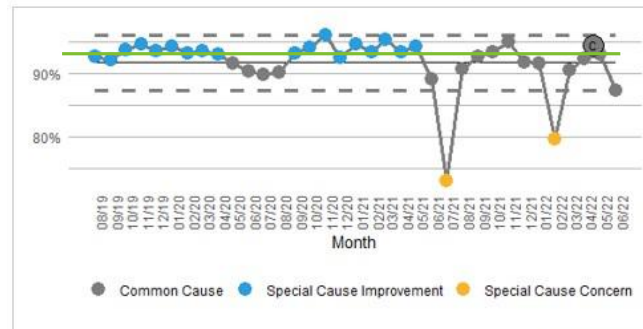
**H12 : Av. time from answering a 999 call to appliance dispatch (seconds) - monthly**



12 month rolling target 100 | Jun 2022: 94



**CO3 : 999 calls answered within 7 seconds - monthly**



12 month rolling target 92% | Jun 2022: 88.83%



HIGH RISE RESIDENTIAL BUILDINGS  
PREMISES RISK ASSESSMENT & EPIP

**5688**  
HR with PRA

**148**  
HR without PRA

**3927**  
HR with ePIP



# Key Points & Actions

## Key Points from Last Month

- All targets met and performance remains stable
- Opportunity to rationalise other measures linked to attendance times.



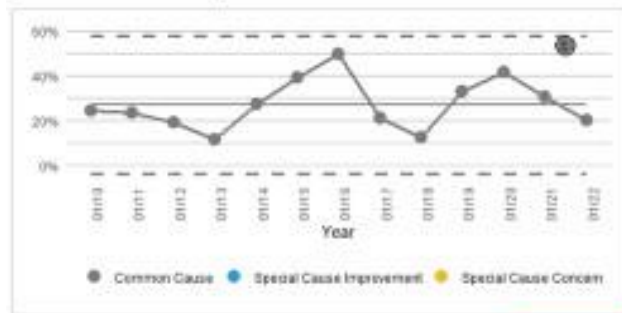
## Key Actions for This Month

- As performance targets on attendance times are continuing to be met and exceeded, we are now removing the performance measure focused on turnout times. This will enable local managers to not only focus on attendance times but drive additional health and safety checks such as correct donning of PPE and the wearing of seatbelts.
- Meeting our attendance standards continues to be a critical performance measure for fire stations but will also focus on safety including blue light driving, safe donning of PPE and a more measured approach to station turnout.
- We will monitor the potential impact of increased traffic stemming from rail and underground industrial action, but we do not anticipate delays to our attendance times.

# Resources

Spend with SMEs remains stable and below target. CO2 emissions compared to 1990 continue to decrease. The number of statutory info requests handled on time have increased significantly and have been just below target for several months.

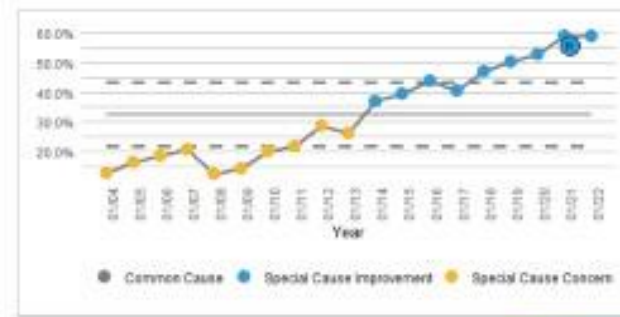
CO14 : Spend with SMEs



Annual target 33% | 2020/21: 20%



CO15 : CO<sub>2</sub> reduction from 1990 levels (%)



Annual target 60% | 2020/21: 59.1%



CO16 : Statutory info requests handled on time (%) - monthly



12 month rolling target: 95% | Jun 2022: 84.53%



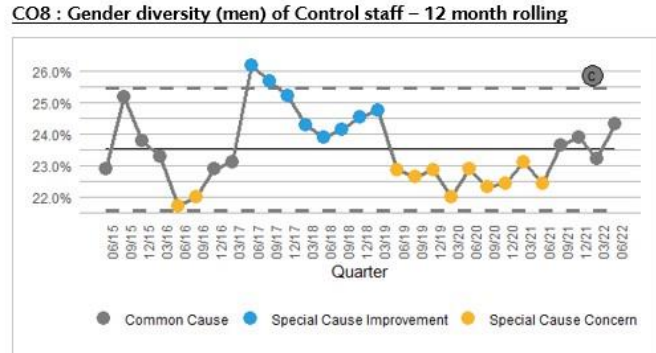
# Incident Risk Summary



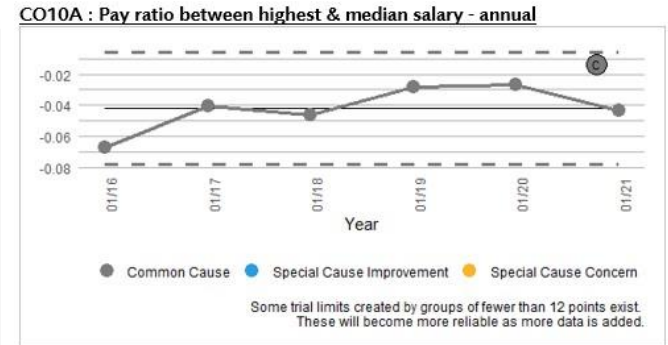
# London Safety Plan Indicators



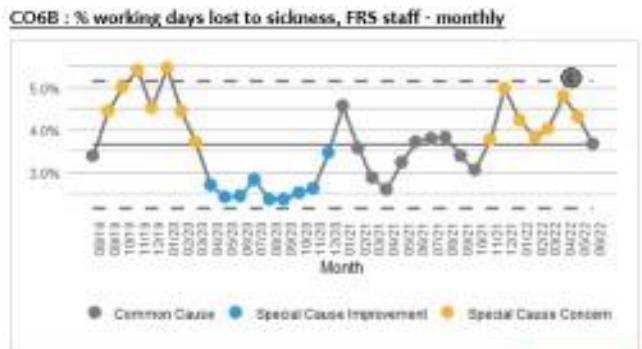
rate per 10,000 population is calculated based on 12 month rolling data.  
 12 month rolling target: 400 | Jun 2022: 243 ✓



12 month rolling target 24.3% | Jun 2022: 35% ✗



Annual target 6.0% | 2020/21: 4.99 ✓



12 month rolling target 2.48% | Jun 2022: 3.97% ✗



12 month rolling target 3.65% | Jun 2022: 8.79% ✗

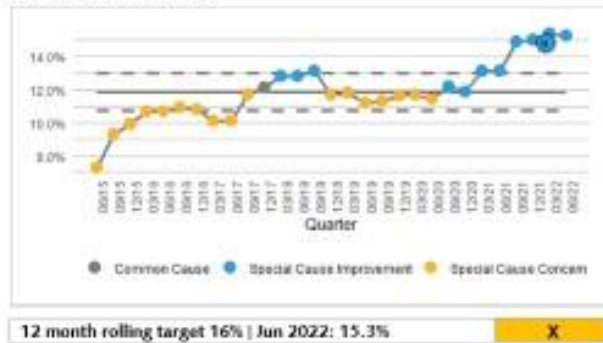


12 month rolling target 4.70% | Jun 2022: 7.25% ✗

LONDON FIRE BRIGADE

# London Safety Plan Indicators

CO9 : Ethnic diversity (Black, Asian and Minority Ethnic) of FRS staff top earners - 12 month rolling



## London Fire Commissioner Revenue Summary

LFC Revenue (£000s)	Year to date			Full Year		
	Budget	Spend	Variance	Budget	Forecast Outturn	Forecast Variance
Operational staff	68,406	70,890	2,484	273,057	284,221	11,164
Other staff	16,899	17,784	885	69,896	68,705	(1,191)
Employee related	20,620	21,105	485	26,840	26,598	(242)
Pensions	6,274	4,383	(1,891)	21,772	21,772	0
Premises	10,489	17,015	6,526	46,327	46,823	496
Transport	13,685	14,483	798	17,327	17,773	446
Supplies and services	16,091	13,177	(2,914)	32,861	33,148	287
Third party	1,001	283	(719)	1,413	1,282	(131)
Capital financing	58	193	134	9,624	9,624	0
Contingency	2,249	(713)	(2,962)	11,479	9,235	(2,244)
Income	(3,091)	(54,759)	(51,668)	(45,880)	(45,180)	699
<b>Net revenue expenditure</b>	<b>152,682</b>	<b>103,841</b>	<b>(48,841)</b>	<b>464,716</b>	<b>474,001</b>	<b>9,285</b>
Use of reserves	(1,062)	0	1,062	(4,197)	(8,594)	(4,397)
<b>Financing Requirement</b>	<b>151,620</b>	<b>103,841</b>	<b>(47,779)</b>	<b>460,519</b>	<b>465,407</b>	<b>4,888</b>
Financed by:						
Specific grants	(8,813)	(19,247)	(10,433)	(38,719)	(39,462)	(743)
GLA funding	(105,450)	(72,666)	0	(421,800)	(421,800)	0
<b>Net Financial Position</b>	<b>37,357</b>	<b>11,928</b>	<b>(58,212)</b>	<b>0</b>	<b>4,145</b>	<b>4,145</b>

## London Fire Commissioner Capital Summary

LFC Capital	Full Year Budget	Slippage from 2021/22	Revised Budget	Forecast Outturn	Outturn Variance
	£000s	£000s	£000s	£000s	£000s
ICT	8,996	343	9,339	4,647	(4,692)
Property	18,379	499	18,878	9,664	(9,214)
Communications	1,160	0	1,160	0	(1,160)
Fleet and Equipment	8,410	1,489	9,899	6,681	(3,218)
Operational Policy	8,200	0	8,200	8,200	0
<b>Total Capital Expenditure</b>	<b>45,145</b>	<b>2,331</b>	<b>47,476</b>	<b>29,192</b>	<b>(18,284)</b>



## **Reasons for the Revenue Position**

The forecast revenue outturn position at the end of June 2022 is for an overspend of £4,145k, which is 0.9 per cent of the net revenue budget and this is mainly due to operational overtime. The main reasons for the overspend position are explained in more detail below.

### **Operational Staff**

The operational staff overspend is largely due to pre-arranged overtime (PAO), as well as the impact of national insurance contributions on that overtime and additional spend on direct standbys. This position is forecast as a result of current workforce and skills levels meaning that there is less resilience overall when leave, sickness absence, training, detachments, and temporary promotions are considered, and with the Covid pandemic still having an impact in these areas. The level of PAO forecast to the year end is also now to be impacted by the heatwave in July and the need to maintain resilience at high levels during the summer. The 2022/23 Budget for operational overtime, which include PAO, is £2.8m.

The forecast overspend reflects early work to address the causes of the demand for PAO, however a number of work streams in this area are ongoing, with the expectation of further downward pressure on overtime during the current financial, as well as addressing the challenge into future years.

### **Other staff**

The FRS staff budgets are forecast to underspend by £1,190k. This is after the impact of vacancy margin of £1.3m for the year. At the end of June, there were 178 FRS vacancies across all departments, and with 118 agency staff to help mitigate the impact of this. Whilst this forecast does set out an underspend position it includes significant spending on agency staff, the cost of which has been increasing in the current economic climate. It should also be noted that this forecast includes an assumption by central finance regarding staff leavers and recruitment rates, which has reduced the forecast spend as set out by departments.

### **Employee related**

The overspend of £758k is on professional development because of inflationary pressures on the training contract of £1,000k, offset by an underspend on the current estimates of spend on training courses (£242k). It is proposed to transfer £1,000k from the Budget Flexibility Reserve (BFR) to meet the additional in-year inflationary costs.

### **Premises**

Premises is forecast to overspend by £496k due to increased energy costs of £1,059k due to inflationary increases in the volatile energy market, partly offset by Property rates of £529k with savings from the outcome of the Valuation Office Agency (VAO) revaluation exercise. It is proposed to transfer £1,059k from the BFR to meet the additional in-year inflationary costs.

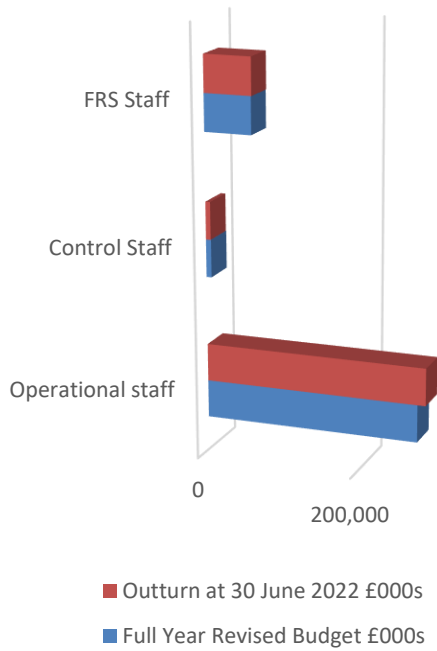
### **Income**

£699k under recovery is forecast on rental income due to leases that expired in 2021/22 and those ending in 2022/23. The revised forecast is based on guaranteed 2022/23 income.

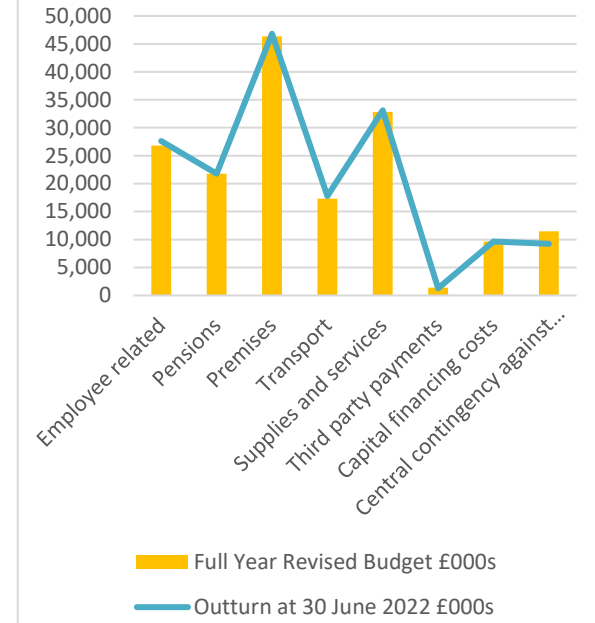
### **Capital**

The original budget for the 2022/23 capital programme was £44,996k, as per the Capital Strategy approved as part of the 2022/23 Budget report (LFC-0679). The budget was increased to £47,476k following the capital outturn position for 2021/22 reported as part of the Outturn Financial Position report (LFC-0713), with £2,480k carried forward to 2022/23. This report forecast an underspend of £18,284k as at end of June 2022 due to reprofiling.

Annual budget vs Forecast Staff (£000s)



Annual budget vs Forecast - Non-staff (£000s)



## 2022/23 Approved Savings and Investments

2022/23 Approved Savings - The approved budget savings incorporated in the 2022/23 budget report was £4,149k.			
Directorate	Saving in 2022/23 £'000		
Operational Delivery	567	The saving includes deletion of posts within Fire Safety and reduction in Control and Mobilising overtime budgets. Budget reduction has been contained within Fire Safety and Control and mobilising and saving is on target.	
Corporate Services	2,938	The majority of these savings are on target for delivery. However further savings of £1.4m from property income remains a challenge in the current climate is unlikely to be achieved in this financial year, with a savings gap of £650k estimated by March 2023.	
Directorate of People	36	This on target.	
Transformation	608	Saving is related to the restructuring of the Transformation Directorate, including the removal of the Grenfell Investigation Team, and is on target.	
<b>Total</b>	<b>4,149</b>		

**2022/23 Approved Investments - The approved budget investments incorporated in the 2022/23 budget report was £11,766k.**

<b>Directorate</b>	<b>Investment in 2022/23 £'000</b>		
Operational Delivery	1,925	Growth includes £1,035k relating to one-off equipment costs to support the Marauding Terrorist Attack (MTA) project and staff costs. £607k has now been committed and staff posts established.	
Corporate Services	6,321	Posts are in recruitment, interviews scheduled, and some staff are already in post. Projects are either all delivered or in progress and energy growth is also on target for use as additional pressure on energy billing is confirmed	
Directorate of People	1,632	Implementation of growth strategy is delayed due to the delay in permanent recruitment, particularly into the People Partner roles. However, underspend is being used for temporary cover as well as training and development.	
Transformation	1,488	Investment is related to the restructuring of the Transformation Directorate, including the removal of the Grenfell Investigation Team. The funding for the restructure has been approved and recruitment is currently taking place.	
Communications	400	This is mainly for the Director of Communications position and the Fundraising and Partnership team and is on target.	
<b>Total</b>	<b>11,766</b>		

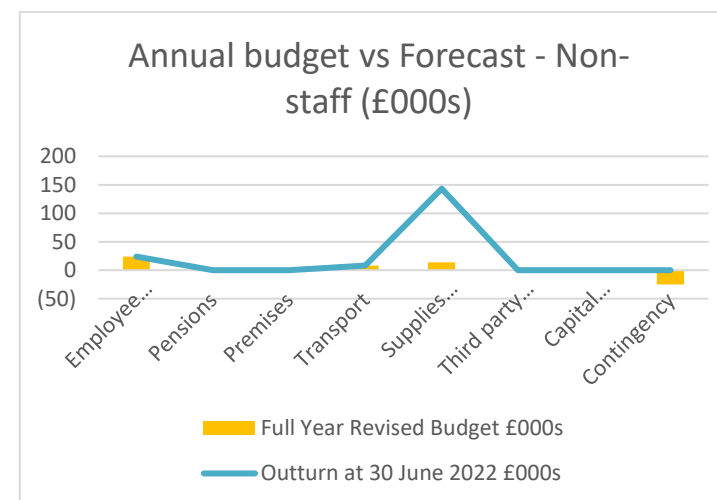
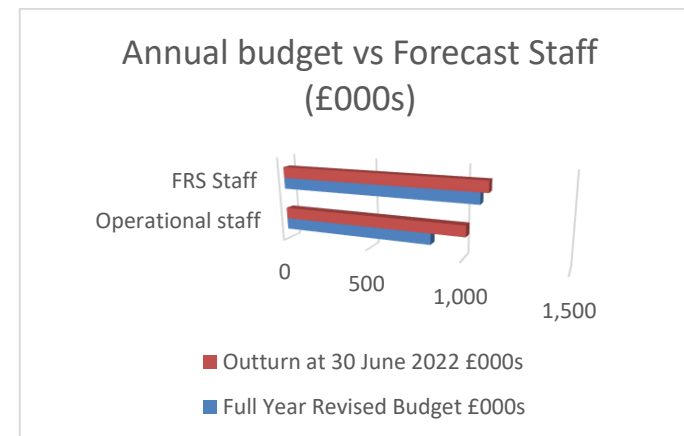
## Commissioner's Directorate

LFC Revenue (£000s)	Budget	Forecast Outturn	Forecast Variance
Operational staff	834	1,014	180
Other staff	1,080	1,120	40
Employee related	24	24	0
Pensions	0	0	0
Premises	0	0	0
Transport	8	8	0
Supplies and services	14	143	129
Contingency	(25)	0	25
Income	0	0	0
<b>Net revenue expenditure</b>	<b>1,934</b>	<b>2,308</b>	<b>374</b>
Use of reserves	(49)	0	49
<b>Financing Requirement</b>	<b>1,885</b>	<b>2,308</b>	<b>424</b>
Financed by:			
Specific grants	0	0	0

The Commissioner's Directorate is responsible for the management of London Fire Brigade (LFB). The London Fire Commissioner (LFC) is responsible for providing London's fire and rescue service, ensuring that it is effective and efficient. All formal decisions about LFB are approved by LFC, though some decisions may need to be consulted on with the Deputy Mayor for Fire and Resilience or the Mayor of London.

### Key variance

There is an overspend of £180k on operational staff due to two supernumery staff to the Commissioner working on Grenfell and on additional workload in the Commissioners Secretariat relating to Module 8 of the Grenfell Tower Inquiry expected to fulfil the function of an inquest.



## Directorate of Operational Delivery

LFC Revenue (£000s)	Budget	Forecast Outturn	Forecast Variance
Operational staff	262,783	272,914	10,131
Other staff	28,291	26,589	-1,702
Employee related	8	232	224
Pensions	0	0	0
Premises	140	84	-56
Transport	2,242	2,396	154
Supplies and services	3,721	3,759	38
Third party	53	53	0
Capital financing	0	0	0
Contingency	(31)	27	58
Income	(2,261)	(2,190)	72
<b>Net revenue expenditure</b>	<b>294,946</b>	<b>303,864</b>	<b>8,919</b>
Use of reserves	(233)	(233)	0
<b>Financing Requirement</b>	<b>294,713</b>	<b>303,631</b>	<b>8,919</b>
Financed by:			
Specific grants	(2,466)	(3,295)	(829)

The Directorate of Operational Delivery is the largest directorate of the London Fire Brigade, and its main role is to make London safer. The directorate incorporates all Fire Stations, Control and Mobilising, Fire Safety, Operational Policy, Operational Resilience and Special Operations Group.

### Key variance

#### Operational Staff

The operational staff overspend is due to pre-arranged overtime (PAO) as well as the impact of national insurance contributions on that overtime and additional spend on direct standbys. This position is forecast as a result of current workforce and skills levels meaning that we have less resilience overall when leave, sickness absence, training, detachments, and temporary promotions are considered, and with the Covid pandemic still having an impact in these areas. The level of PAO forecast to the year end will also be impacted by the heatwave experienced in July and the need to maintain resilience at high levels during the summer.

The forecast overspend reflects early work to address the causes of the demand for PAO, however a number of work streams in this area are ongoing, with the expectation of further downward pressure on overtime during the current financial, as well as addressing the challenge into future years.

#### Other staff

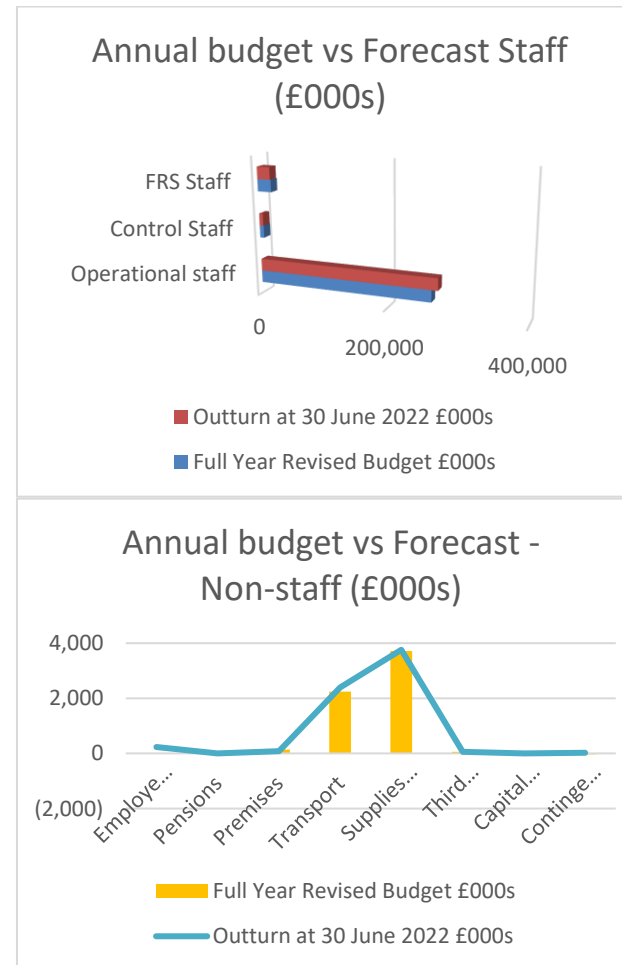
The FRS staff budgets are forecast to underspend by £1,702k. This is mainly due underspends within Fire Safety. At the end of June, there were 47 FRS vacancies, and with 18 agency staff to help mitigate the impact of this.

### Employee related

The overspend on employee related is due to professional development cost within Fire Safety that is offset by Protection Board Uplift grant income.

### Specific grant income

There is an over recovery on specific grants, and this relates to Protection Board Uplift grant offsetting spend and any unspent balance to be transferred to earmarked reserve.



## Directorate of Operational Delivery Capital Summary

LFC Capital (£000s)	Budget	Forecast Outturn	Forecast Variance
	£000s	£000s	£000s
Operational Policy	8,200	8,200	0
Total Capital Expenditure	8,200	8,200	0

## Key variance

### Operational Policy

The forecast spends of £8,200k for Respiratory Protective Equipment and Radio Equipment remains on budget for 2022/23. Contracts are currently being drawn up and expected to be signed by the end of July. However, there is a 3 – 5-month delivery schedule which will be closely monitored if there were to be delays due to the current global supply chain issues.



## Directorate of Corporate Services

LFC Revenue (£000s)	Budget	Forecast Outturn	Forecast Variance
Operational staff	4,350	4,362	12
Other staff	25,871	26,070	198
Employee related	4,861	43,862	(999)
Pensions	21,772	21,772	0
Premises	46,165	46,717	552
Transport	15,014	15,155	141
Supplies and services	28,421	28,358	-63
Third party	1,201	1,201	0
Capital financing	9,624	9,624	0
Contingency	10,249	7,923	(2,326)
Income	-43,037	-42,339	698
<b>Net revenue expenditure</b>	<b>124,491</b>	<b>162,705</b>	<b>(1,787)</b>
Use of reserves	(1,689)	(5,136)	(3,447)
<b>Financing Requirement</b>	<b>122,802</b>	<b>157,569</b>	<b>(5,234)</b>
Financed by:			
Specific grants	(34,393)	(34,307)	86

The Corporate Services Directorate exists to support the LFC's Mission by providing coordinated enabling services and advice in the areas of Finance, Information and Communications Technology, General Counsel, Property Services, Procurement & Commercial, Property Services and Technical & Service Support.

### Key variance

#### Other staff

Other staff is forecast to overspend by £198k due to overtime costs within ICT department.

#### Employee Related

Employee related is forecast to underspend by £999k based on current forecasts for legal compensation expenditure. This is based on an improved position when compared against prior years but will continue to be closely monitored and can be impacted by a small number of high value cases.

#### Premises

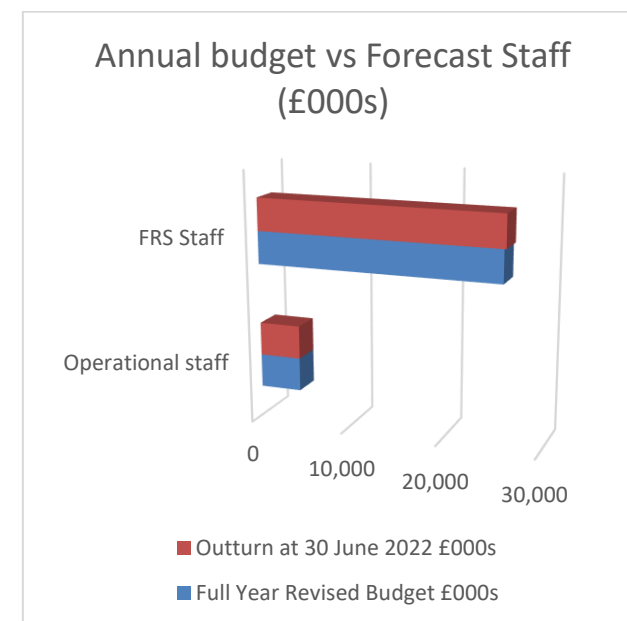
Premises is forecast to overspend by £552k due to energy costs of £1,059k because of inflationary increases due to the volatile energy market partly offset by Property rates £529k due to saving from premises rate appeal in 2021/22 and VAO revaluation exercise. It is proposed to transfer £1,059k from the BFR to meet the additional in year inflationary costs.

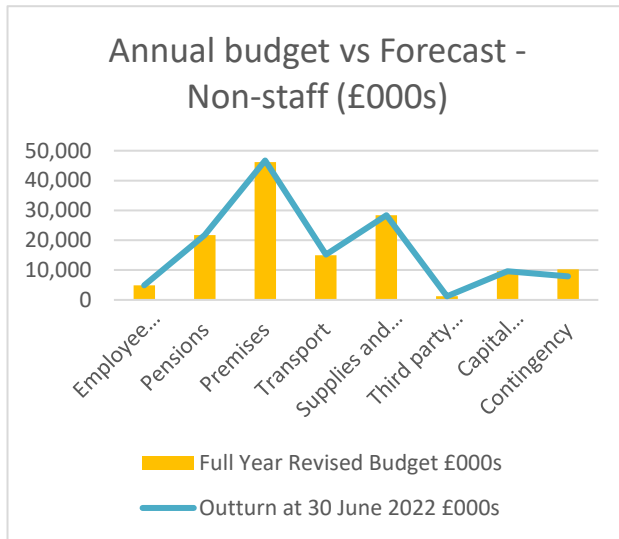
### Contingency

£2,326k underspend is expected on Contingency based on forecast requirements.

### Income

£698k under recovery is forecast on rental income due to leases that expired in 2021/22 and those ending in 2022/23. The revised forecast is based on guaranteed 2022/23 income.





### Directorate of Corporate Services Capital Summary

LFC Capital	Full Year Budget	Slippage from 2021/22	Revised Budget	Forecast Outturn	Outturn Variance
	£000s	£000s	£000s	£000s	£000s
ICT	8,996	343	9,339	4,647	<b>(4,692)</b>
Property	18,379	499	18,878	9,664	<b>(9,214)</b>
Communications	1,160	0	1,160	0	<b>(1,160)</b>
Fleet and Equipment	8,410	1,489	9,899	6,681	<b>(3,218)</b>
<b>Total Capital Expenditure</b>	<b>36,945</b>	<b>2,331</b>	<b>39,276</b>	<b>20,992</b>	<b>(18,284)</b>

### Key variance

The majority of capital projects sits within the Corporate Service directorate.

### ICT

The underspend of £4,692k is largely due to reprofiling of projects because of procurement delays in the Control and Mobilisation Systems (CAMS) project (£3,632k) and on the Operational Risk Database (£1,100k).

### Property

The underspend of £9,214k in Property is largely due to a reprofiling exercise across the following areas including £5,300k reprofiling in the Minor Improvement project i.e., adjustments to the Motorised gates project and Breathing Apparatus BA chamber refurbishment projects. £2,300k slippage in the Plumstead Fire Station project due to tender prices exceeding budget and £1,100k slippage in the Roofing replacement works due to project reprofiling in Barking, Beckenham, Ilford, and Wennington Fire Stations as these projects will be split over two years.

### Communications

The underspend of £1,160k is mainly due to reprofiling of the Museum project due to the delay in the disposal of the 8 Albert Embankment premises.

### Fleet and Equipment

The forecast underspend on Fleet for 2022/23 is expected to be £3,218k due to project reprofiling because of supplier delays on Officer Pool Cars due to global chassis supplier delays, Operational Support Unit project, Command Support Unit project, Cutting Van slippage etc, all due to supplier delays.

## Directorate of People

LFC Revenue (£000s)	Budget	Forecast Outturn	Forecast Variance
Operational staff	4,403	5,230	827
Other staff	8,281	8,366	86
Employee related	21,947	22,480	533
Pensions	0	0	0
Premises	22	22	0
Transport	50	201	151
Supplies and services	286	379	93
Third party	0	19	19
Capital financing	0	0	0
Contingency	1,442	1,442	0
Income	-564	-634	-70
<b>Net revenue expenditure</b>	<b>35,867</b>	<b>37,505</b>	<b>1,639</b>
Use of reserves	(1,200)	(2,200)	(1,000)
<b>Financing Requirement</b>	<b>34,667</b>	<b>35,305</b>	<b>639</b>
Financed by:			
Specific grants	0	0	0

The Directorate of People oversee every aspect of the people who work with the Brigade; how we develop and the wellbeing of everyone in the workplace. The directorate incorporates the following departments: People Services, Training and Professional Development, Health & Safety

### Key variances

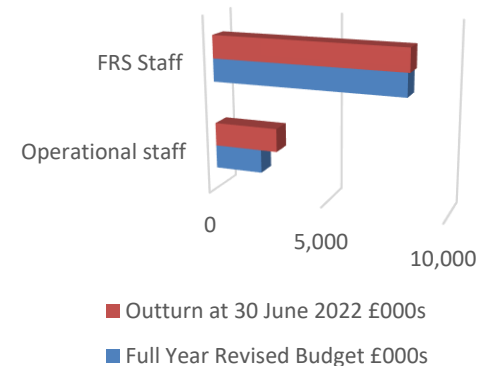
#### Operational Staff

The operational staff overspend relates mainly to secondments to Babcock £600k, that is offset partly by income from Babcock and balance funded by the LFC and £227k relates to overspend within Training and Development.

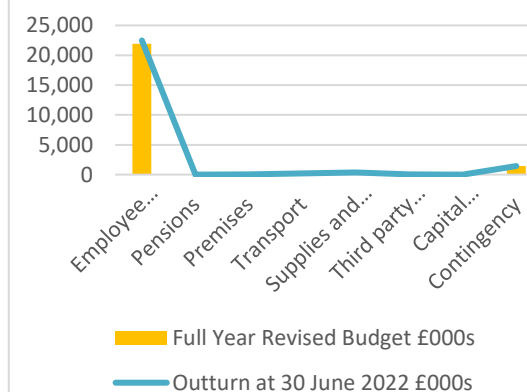
#### Employee related

The overspend of £533k is due professional development because of inflationary pressures offset by underspends from training contract, it is proposed to transfer £1,000k from the BFR to meet the additional in year inflationary costs.

Annual budget vs Forecast Staff (£000s)



Annual budget vs Forecast - Non-staff (£000s)



## Directorate of Transformation

LFC Revenue (£000s)	Budget	Forecast Outturn	Forecast Variance
Operational staff	687	701	14
Other staff	3,524	3,569	45
Employee related	0	0	0
Pensions	0	0	0
Premises	0	0	0
Transport	12	12	0
Supplies and services	109	109	0
Contingency	-156	-156	0
Income	0	0	0
<b>Net revenue expenditure</b>	<b>4,176</b>	<b>4,235</b>	<b>59</b>
Use of reserves	0	(328)	(328)
<b>Financing Requirement</b>	<b>4,176</b>	<b>3,907</b>	<b>-269</b>
Financed by:			
Specific grants	(2,188)	(1,860)	328

The Directorate of Transformation was created in 2020 and directly responds to Grenfell Tower Investigation and HMICFRS Inspection (2019) recommendations. The Directorates objective is to manage the transformation process as the London Fire Brigade adapts in a more agile and rapid way. It includes key strategic areas such as

Portfolio, Programme, Project and Business Change; Risk Management; Assurance; Business Continuity; Strategic Planning; and Performance.

The current variance is not a concern as the budget has yet to be amended for the application of reserves approved for the Transformation Directorate restructure in the Budget 2022/23. The transfer from the reserve awaited the final approval to commit expenditure for the new roles, which was secured on 21<sup>st</sup> June 2022. The structure is being implemented and the budget changes completed in Q2, with roles expected to be in place by Autumn 2022.

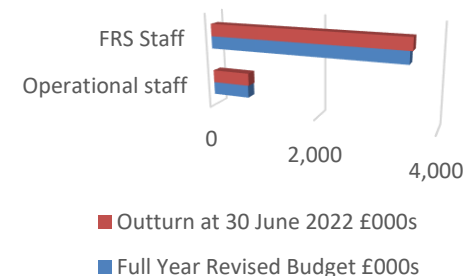
It should be noted that the Transformation Directorate contains the budget for the National Fire Chiefs Council (NFCC) Central Programme Office. This will be transitioned out by the end of the 2022/23 financial year but creates some budget variances in the meantime.

### Key variances

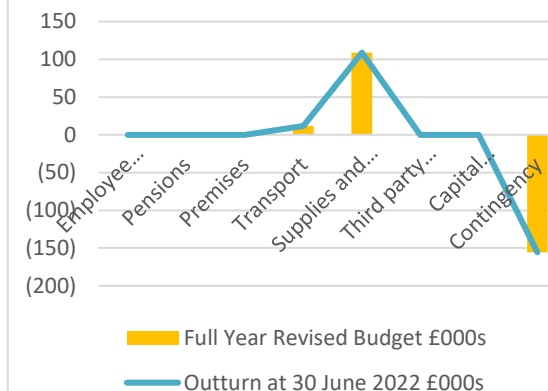
### Other Staff

This is mainly due to the vacancy margin that cannot be met due to no vacancies within Strategy and Risk.

Annual budget vs Forecast Staff (£000s)



Annual budget vs Forecast - Non-staff (£000s)



## Directorate of Communications

LFC Revenue (£000s)	Budget	Forecast Outturn	Forecast Variance
Operational staff	0	0	0
Other staff	2,169	2,312	143
Employee related	0	0	0
Pensions	0	0	0
Premises	0	0	0
Transport	1	1	0
Supplies and services	309	399	90
Third party	158	8	(150)
Capital financing	0	0	0
Contingency	0	0	0
Income	(17)	(17)	0
<b>Net revenue expenditure</b>	<b>2,621</b>	<b>2,703</b>	<b>83</b>
Use of reserves	(17)	(17)	0
<b>Financing Requirement</b>	<b>2,603</b>	<b>2,686</b>	<b>83</b>

Financed by:

Specific grants	0	0	0
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The Directorate of Communications oversee Brand & Events; Media, Digital & Internal Communications; and Stakeholder and Community Engagement for the London Fire Commissioner.

### Key variances

#### Other Staff

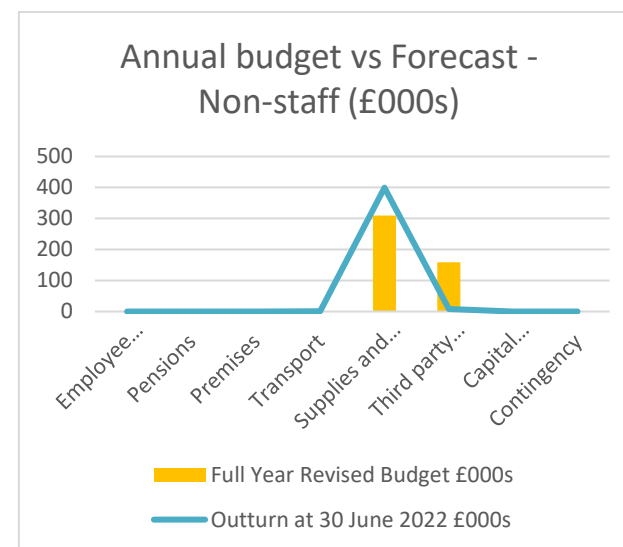
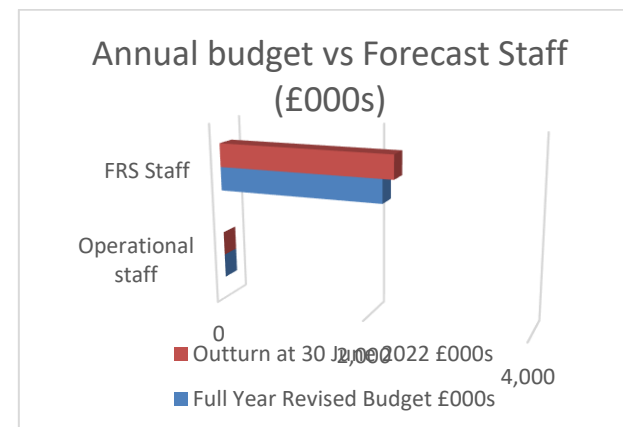
£143k on other staff is mainly due to a movement from the contingency subjective to cover a number of approved staffing costs, including the role of Director of Communications.

#### Supplies and services

£90k variance mainly due to additional allocation to cover the cost of the rollout of the Online Shop and a three fundraising events across the year.

#### Third Party

150k is due to movement from the contingency to staff and non staff costs, as detailed above.



## Revenue Reserve Summary

### General reserves

The balance on the general reserve, following the forecast outturn overspend position, is £12,000k. This represents £4,241k below the minimum general reserve requirement of 3.5% of the net revenue expenditure.

### Earmarked reserves

The forecast balance on earmarked reserves is £25,497k at the end of the 2022/23 financial year.

The position as set out is after the £4,282k of reserve movements agreed in the outturn report. The following drawdowns were agreed:

- £1,100k on operational equipment now expected be incurred in the coming financial year relating to one-off equipment costs to support the Marauding Terrorist Attack (MTA) project;
- £1,000k due to forecast additional costs on Immediate Detriment for work required on the Firefighter Pensions remedy;
- £600k for the procurement of finance and Payroll system that will now be delivered in 2022/23;

- £430k for the Grenfell team closing to conclude Grenfell SAI work, Fire fighter study and GTI Module 8 support;
- £302k legal costs of RPE Challenge/Re-Procurement and ICT;
- £350k for the leadership reserve;
- £300k to fund the establishment of staff project costs expected to deliver during the coming financial year and
- other miscellaneous items totalling £202k relating to deferred one-off items of spend.

Earmarked reserves are currently undergoing a review to identify potential existing reserves for release. Currently, £3m is expected to be released.

The forecast year end balance on reserves at £64.8m is £6.9m lower than the £71.7m forecast in the Budget 2022/23. The majority of this movement is due to the transfer from the BFR to meet inflationary pressures (£2.1m) and the impact on the general reserve of the overspend (£4.1m).

Reserve Description	Opening Balance at 01/04/22 £000s	Current Use of Reserves £000s	Closing Balance at 31/03/23 £000s
Capital Expenditure Reserve	11,745	(4,700)	7,045
Central Programme Office	328	(328)	0
Compensation	1,000	0	1,000
Covid-19	3,092	(1,949)	1,142
Emergency Medical Response	294	0	294
Emergency Services Mobile Communication Programme	1,013	(1,013)	0
Fire Safety and Youth Engagement	6,612	(2,083)	4,528
Grenfell Infrastructure Reserve	1,179	(580)	599
Hydrants	247	(127)	120
ICT Development Reserve	2,486	(553)	1,933
In Year Savings Reserve	3,600	(1,600)	2,000
LFB Museum Project	197	(17)	179
LFC Control Centre	729	0	729
London Resilience	771	0	771
Community Risk Management Plan	2,644	(700)	1,944
Organisational Reviews	150	0	150
Pension Earmarked Reserve	1,845	(1,000)	845
Sustainability	179	(27)	151
Transformation Delivery Plan	3,281	(680)	2,601
Vehicle & Equipment Reserve	2,407	(193)	2,215
Leadership reserve	350	(100)	250
Marauding Terrorist Attack (MTA) project	1,219	(1,219)	0
Communication Reserve	83	(83)	0
Legal reserve	302	(302)	0
<b>Release of reserves to be identified through review</b>		<b>(3,000)</b>	<b>(3,000)</b>
<b>Earmarked reserves total</b>	<b>45,751</b>	<b>(20,254)</b>	<b>25,497</b>
Budget Flexibility	30,532	(3,259)	27,273
General	16,145	(4,145)	12,000
<b>Total</b>	<b>92,428</b>	<b>(27,658)</b>	<b>64,770</b>

## Original vs Revised Budget

	Original budget	Full Year Revised Budget	Movement between variance figures	Comments
	£000s	£000s	£000s	
Operational staff	284,800	273,057	(11,743)	Movement of pay inflation from staff to contingency
Other staff	66,400	69,896	3,496	Allocations to reflect actual staffing position and additional grant income to meet staff costs.
Employee related	25,700	26,840	1,140	Additional training contract expenditure agreed in 2022/23 Budget Report
Pensions	21,800	21,772	(28)	
Premises	42,400	46,327	3,927	Revenue contributions to capital agreed in 2022/23 Budget Report
Transport	17,700	17,327	(373)	
Supplies and services	32,500	32,861	361	
Third party payments	1,300	1,413	113	
Capital financing costs	12,200	9,624	(2,576)	Reduction in Capital Financing Costs agreed in 2022/23 Budget Report
Central contingency against inflation	0	11,479	11,479	Movement of pay inflation from staff to contingency
<b>Total revenue expenditure</b>	<b>504,800</b>	<b>510,596</b>	<b>5,796</b>	
Other income	(44,600)	(45,880)	(1,280)	Additional income from insurers agreed in 2022/23 Budget Report
<b>Net revenue expenditure</b>	<b>460,200</b>	<b>464,716</b>	<b>4,516</b>	
Use of General Reserves	0	(4,284)	(4,284)	Approved new reserves as part of year end closing
Use of earmarked reserves	(1,900)	(4,197)	(2,297)	Additional training contract and other draw on earmarked reserve agreed in 2022/23 Budget Report
<b>Financing Requirement</b>	<b>458,300</b>	<b>460,519</b>	<b>(2,065)</b>	



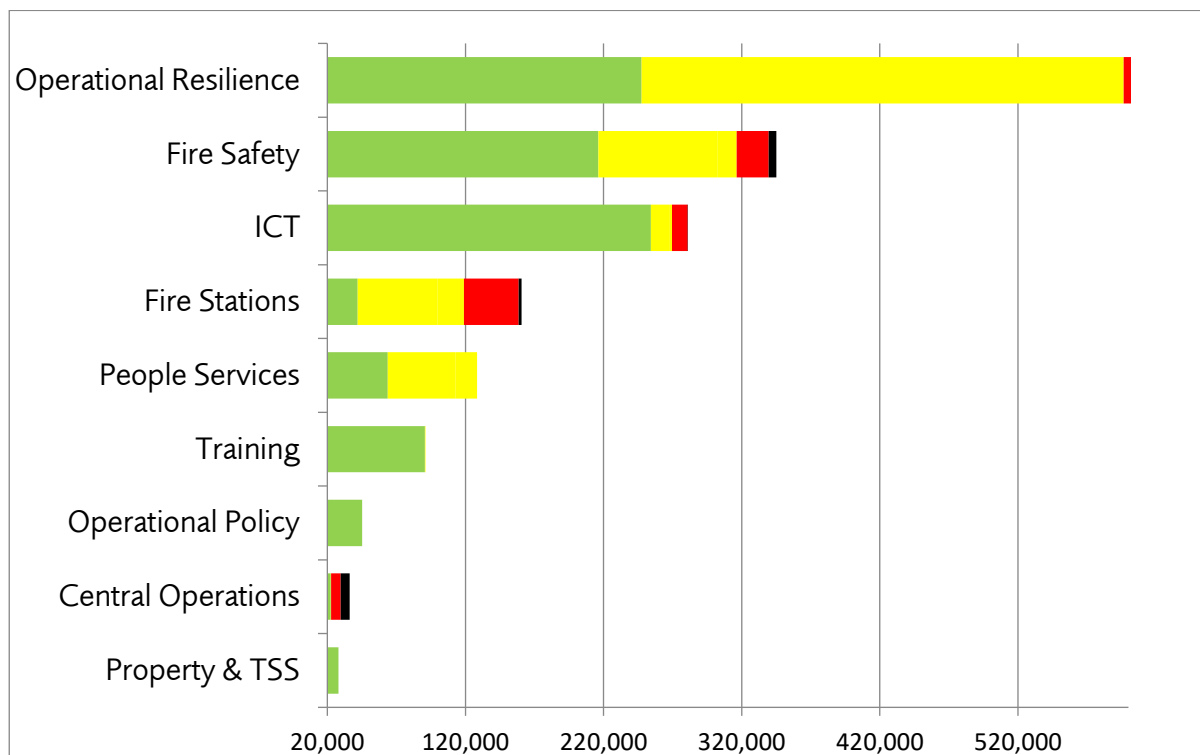
	<b>Original budget</b>	<b>Full Year Revised Budget</b>	<b>Movement between variance figures</b>	<b>Comments</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	
Financed by:				
Specific grants	(36,500)	(38,719)	(2,219)	Additional grant income to meet staff costs.
GLA funding	(421,800)	(421,800)	0	
<b>Net Financial Position</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## Key Performance Indicators

### Debt Analysis

The balance of outstanding debt at the end of **June 2022** is £2,499k, with £1,511k (60% of the total outstanding) over 30 days old.

The data presented below shows this debt broken down by department, with debt under 30 days shown as green, 30 days to 12 months old debt shown as yellow, 1 year to 6 years old debt shown as red and over 6 years old debt shown as black.



The table below provides further analysis and shows the top 5 departments from the above table with the highest outstanding debt at the end of **June 2022**, and the age of that debt.

Amount Outstanding (£)		Column Labels				Grand Total
Row Labels	Item Description	30 days to 6 months old	6 months to 1 year old	1 year to 6 years old	Over 6 years old	
Operational Resilience		349,118		27,465		376,584
Fire Safety		86,323	13,761	23,193	5,385	128,662
Fire Stations		58,008	19,008	39,502	2,169	118,687
People Services		49,106	15,744			64,850
Information and Communication Technology		13,150	2,120	11,400	240	26,910

### Operational Resilience

The main outstanding invoice from Merseyside Fire & Rescue for £128K is causing this department to remain high on debtors list. The Head of Resilience department has chased Merseyside Fire for an

update and was advised to re-issue the invoice. Invoice has been reissued and payment is expected. The remaining items have been reviewed and should be settled by next report.

#### Fire Safety

Fire Safety outstanding debt is made up of numerous invoices issued late May and only recently became outstanding. Fire Safety together with Account Receivable have been contacting debtors to settle the payment.

#### Fire Stations

This debt relates to shut in lift invoices (SiL). In February we noticed a decrease in debt of £35k compared to January with further reduction of £40k in March, lowering total of debt from £186k to £146k. April to May recorded debt decrease of £2k. Recent increases of SiL incidents resulted in higher volume of invoices and impacted the total debts figure of £13k higher compared to May.

#### People Services

These debts relate to seconded officers to NHS and TFL. Since last report we have recorded a decrease of £63k total debts with two invoices remaining. Finance team together with People Services reached out to the partners to provide dates for remaining debt payments, copies of invoices have been provided and payment is expected in coming weeks.

#### Information and Communication Technology

These small value debts represent mainly May invoices. The largest invoice for £9k issued for services provided to Hertfordshire County Council for IT system support and improvement. The bill became outstanding recently and debtor have been notified to arrange a prompt payment.

## Risk to the Financial Position

Likelihood	5				Inflation	Operational Budget Volatility
	4			Replacement Vehicles and Equipment	Pay Awards	Pensions Remedy
	3		Capital Rephasing, ESN, Command Support System, Systems Development, Water Hydrants, Capital Rephasing, HGV Driver Shortage	Covid Pandemic, Core Funding, Telecommunications Income, Cost of Borrowing	Capital Receipts	
	2		TDP, Legal Cost, Contractor Default, Third Party Collaboration, Debt Charges	Capital Programme - Covid 19	MFB Act Income, Fire Station Refurbishment	
	1					
		1	2	3	4	5
Impact						

Risk	Likelihood	Impact
Operational Budget Volatility	5	5
Covid Pandemic	3	3
Pensions Remedy	4	5
Pay Awards	4	4
Inflation	5	4
Capital Rephasing	3	2
Core Funding	3	3
Emergency Services Network	3	2
Command Support System	3	2
Transformation Delivery Plan	2	2
Systems Development	3	2
Water Hydrants	3	2
Telecommunications Income	3	3
MFB Act Income	2	4

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>
Legal Costs	2	2
Capital Programme, contractor default	2	2
Capital Programme, re-phasing	3	2
Third party collaboration	2	2
Debt Charges	2	2
Property Disposal	3	4
Fire Stations Refurbishment	2	4
Replacement Vehicles and Equipment	4	3
Capital Programme - Covid 19	2	3
Financial Markets, Cost of borrowing	3	3
HGV Driver Shortage	3	2

### **Finance comments**

1. This report is presented by the Assistant Director, Finance and there are no further comments.

### **Workforce comments**

2. No staff-side consultations have been undertaken on this report.

### **Legal comments**

3. This report is submitted in accordance with Part 6 (Financial Regulations) of the London Fire Commissioner's Scheme of Governance that sets out detailed rules covering financial planning, monitoring, control, systems and procedures and insurance.
4. Specifically, this report fulfils the obligations of section 8 (f) of the Financial Regulations which stipulates, inter alia, that following consultation with the relevant Heads of Service, budget monitoring reports will be presented to the relevant Board regularly
5. This report is a financial performance update. It also seeks approval from the London Fire Commissioner to transfer into earmarked reserve of a total of £4,284k as set out from paragraph 35 of this report and approve the reserve movements set out at Table 4.
6. The London Fire Commissioner's Scheme of Governance reserves the following decisions to the London Fire Commissioner personally:
  - Approve the budget.
  - To agree all matters that have a significant impact on the organisation or service delivery, as determined by a Director
7. Consequently, the decisions in this report fall to the London Fire Commissioner to make.

### **Sustainability implications**

8. There are no direct sustainable implications arising from this report.

### **Equalities implications**

9. The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when exercising our functions and taking decisions.
10. It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
11. The protected characteristics are Age, Disability, Gender reassignment, Pregnancy, and maternity, Marriage, and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour, or nationality), Religion or belief (including lack of belief), Sex, and Sexual orientation.
12. The Public Sector Equality Duty requires us, in the exercise of all LFC functions (i.e., everything the LFC does), to have due regard to the need to:
  - a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.

- b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
  - c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
13. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
  - b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
14. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
15. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—
- 1. (a) tackle prejudice, and
  - 2. (b) promote understanding.
16. Consultation with the Inclusion Team has taken place with regard to this financial position. The outcomes have been considered when coming to the conclusions in this report. There are no direct equality impacts arising from this statement of financial position, however an equality impact assessment was undertaken on the 2021/22 budget proposals.

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – YES/NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer**

David O’Sullivan has drafted this report and confirms the following:

**Assistant Director/Head of Service**

Adrian Bloomfield has reviewed the documentation and is satisfied for it to be referred to Board for consideration.

**Advice**

The Finance and Legal teams have commented on this proposal;

Thomas Davies Legal Advisor, on behalf of General Counsel (Head of Law and Monitoring Officer)

Adrian Bloomfield Financial Advisor, on behalf of the Chief Finance Officer



## Scheme of Governance - Budget Virements - Financial Regulation 9:

*“(b) With the agreement of the Director of Corporate Services, a Head of Service may transfer up to £50,000 from a budget head within that department’s approved budget to a budget head within another department’s approved budget, but if those budget heads are in different Directorates the agreement of the appropriate Director or Commissioner is also required.*

*(c) With the agreement of the Director of Corporate Services, Directors may transfer up to £150,000 from a budget head within that department’s approved budget to a budget head within another department’s approved budget.*

*(e) The Director of Corporate Services shall report all transfers under (b) and (c) to the Commissioner as part of the quarterly Financial Position reports.”*

No transfers were processed in Quarter 1 that require reporting.

