



LONDON FIRE BRIGADE

LFC – 0000

Completed by Governance Team

# FY 2023/24 – Q4 Finance Position Report & Provisional Outturn

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**Report to:**

Investment & Finance Board.....  
Commissioner’s Board .....  
Deputy Mayor’s Fire Board.....  
Audit Committee .....

**Date:**

23 May 2024  
09 July 2024  
23 July 2024  
16 September 2024

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**Report by:**

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Assistant Director - Finance

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**Report classification:**

For information

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**For publication**

# PART ONE

## Non-confidential facts and advice to the decision-maker

### Executive Summary

This report presents the London Fire Commissioner's (LFC) Provisional Outturn Position for the 2023/24 financial year. It provides information on financial performance against both Revenue and Capital budgets.

#### Recommended decisions

To note the Provisional Outturn Position for the 2023/24 financial year.

#### For the London Fire Commissioner

Agrees the reserve movements set out in the revenue reserve summary.

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## **Introduction and background**

This report presents the Q4 Financial Position and Provisional Outturn for the 2023/24 financial year. All departments review their actual income and expenditure on a monthly/quarterly basis and provide an updated forecast outturn position. These latest forecast returns are then monitored against budget and previously reported forecasts with explanations of variances being provided. These periodic returns form the basis of this reporting to the Investment and Finance Board (IFB), Commissioner's Board (CB), the Deputy Mayor's Fire Board and Audit Committee. The draft report is also shared with the Greater London Authority to meet requirements set out in the Mayor's Budget Guidance.

### **1 Mayor's Budget for 2024/25**

1.1 The Mayor of London published his Budget Guidance for 2024/25 on 14 July 2023, which sets out provisional funding levels for the LFC over a three-year period from 2024/25 to 2026/27. The LFC provided a Budget Submission to the Mayor addressing the requirements set out in the Guidance by the deadline of 24 November 2023. The Mayor's Budget Guidance for 2024/25 includes increased funding totals for the LFC of £470.4m in 2024/25, £489.4m in 2025/26 and £509.2m in 2026/27.

### **2 Statement of Accounts 2022/23**

2.1 The Draft Statement of Accounts (SoA) was approved by the Chief Finance Officer (Director of Corporate Services) and published on 31 May 2023. The period for public inspection of the SoA ended on 12 July 2023. The latest version of the unaudited draft Statement of Accounts was published on the Brigade's website, alongside an audit delay statement, to meet the statutory deadline for final and audited accounts of 30 September 2023.

2.2 On the 8 February 2024 the Government announced a consultation and Joint Statement, working with the Financial Reporting Council (FRC) and other organisations in the local audit system, on cross system proposals to clear the backlog of public sector audit. This includes 'Backstop' Proposals for clearing audits covering financial years to 2022/23 by 30 September 2024. The consultation closed on 7 March 2024. EY, LFB's current external auditors, communicated a firm wide decision indicating that focus on 2022/23 accounts will not be on a full assurance statement, but on required Value for Money elements. This is in line with the national consultation.

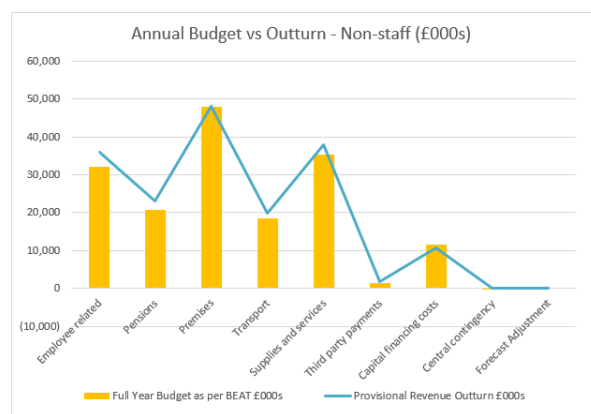
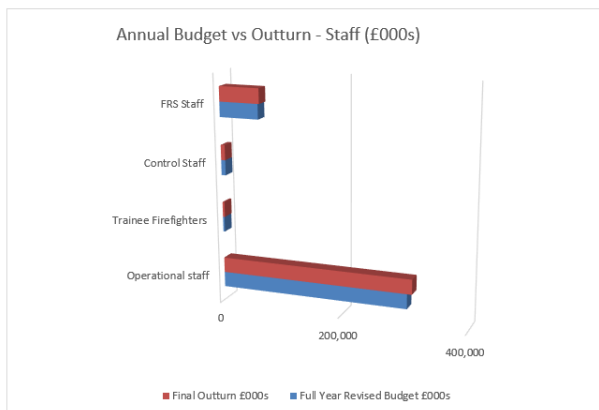
### **3 Statement of Accounts 2023/24**

3.1 The Draft Statement of Accounts was being prepared alongside this outturn report, and further changes may be necessary as the position is finalised. The Accounts will be approved by the Chief Finance Officer (Director of Corporate Services) on 31 May 2024 and then passed for external audit and public inspection.

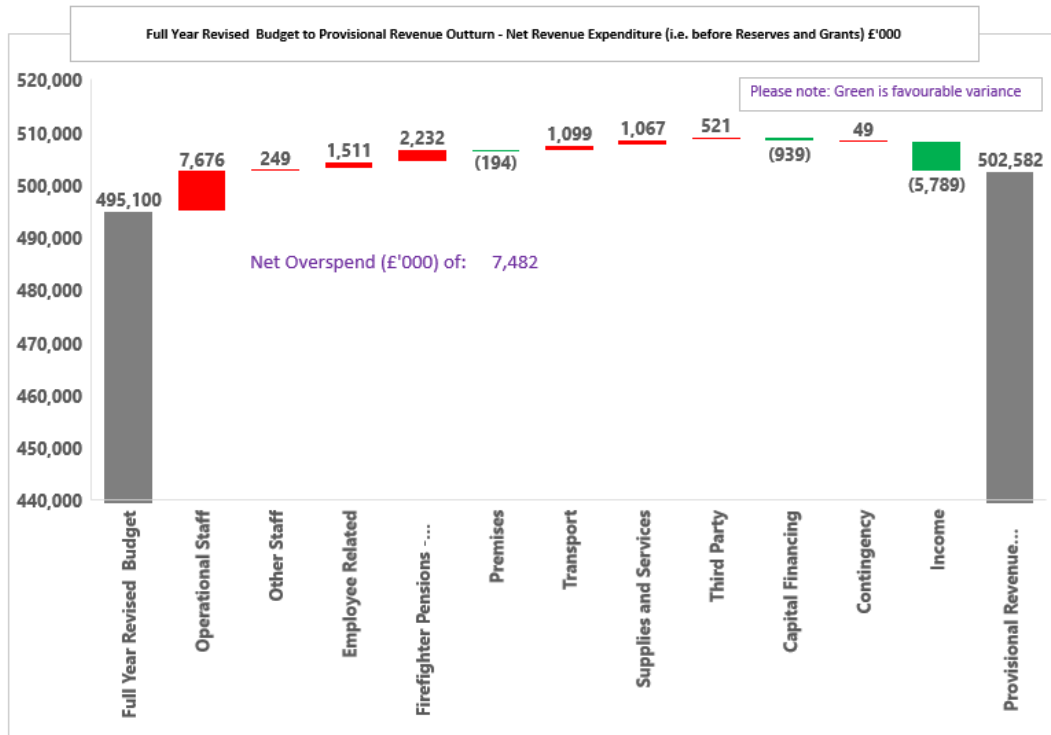
## Section A LFC Revenue Summary Main Table

The table below sets out the 2023/24 Provisional Outturn Position for LFC.

London Fire Commissioner Revenue Summary (£'000s)					
	A	B	C = [B - A]	D	E = [B - D]
LFC Revenue (£'000s)	Full Year Revised Budget	Provisional Revenue Outturn	Variance Outturn vs Revised Budget	Forecast Outturn at Q3	Movement Outturn on Forecast
Operational Staff	307,937	315,612	7,676	313,748	1,864
Other Staff	73,093	73,342	249	72,131	1,211
Employee Related	34,539	36,051	1,511	28,342	7,708
Firefighter Pensions - Injury & Ill Health	20,773	23,005	2,232	20,804	2,201
Premises	48,266	48,073	(194)	47,793	280
Transport	18,820	19,919	1,099	20,268	(349)
Supplies and Services	36,811	37,878	1,067	36,774	1,105
Third Party	1,333	1,854	521	1,665	189
Capital Financing	11,524	10,585	(939)	10,720	(135)
Contingency	(49)	0	49	1,098	(1,098)
Income	(57,947)	(63,736)	(5,789)	(53,684)	(10,052)
Forecast Adjustment	0	0	0	(2,000)	2,000
<b>Net Revenue Expenditure</b>	<b>495,100</b>	<b>502,582</b>	<b>7,482</b>	<b>497,658</b>	<b>4,924</b>
Use of Reserves	(16,672)	(18,724)	(2,052)	(14,842)	(3,883)
<b>Financing Requirement</b>	<b>478,428</b>	<b>483,858</b>	<b>5,431</b>	<b>482,817</b>	<b>1,041</b>
Financed by:					
Specific Grants	(32,628)	(31,945)	682	(32,135)	189
GLA Funding	(445,800)	(445,800)	0	(445,800)	0
<b>Net Financial Position (Outturn)</b>	<b>0</b>	<b>6,113</b>	<b>6,113</b>	<b>4,882</b>	<b>1,231</b>



## Section A LFC Revenue Summary - Budget to Provisional Outturn (1/2)



## Section A LFC Revenue Summary - Budget to Provisional Outturn (2/2)

### Comments Provisional Outturn vs Budget

The provisional outturn for the 2023/24 financial year shows a net overspend (after earmarked reserves and grants) of £6,113k. This will be covered by the Budget Flexibility Reserve to balance the budget.

#### **Operational Staff - overspend of £7,676k**

An overspend in Preparedness & Response of £7,614k has been experienced for the year, with this largely being driven by the impact of operational overtime in Fire Stations (albeit at a much reduced level compared to 2022/23). In addition, there is a £679k budget pressure in relation to Trainee Fire Fighters in the People Directorate.

Other operational staff variances also include:

- an overspend of £992k in the People Directorate
- an underspend of £827k in Prevention, Policy & Protection.

See individual Directorate Summaries for more detail.

#### **Other Staff (including FRS and Control Staff groups) - overspend of £249k**

This overspend is largely due to changes in the leadership of the People Directorate which has been addressed using interim leadership and temporary supernumerary roles to drive improvement and transformation (pending decisions about the future establishment structure and recruitment of permanent staff which is underway).

In addition, overspend in Preparedness & Response and Corporate Services has been experienced, driven by challenges on delivering the average vacancy margin savings.

This is largely offset by underspend across FRS staff within Prevention, Protection & Policy.

See individual Directorate Summaries for more detail.

#### **Employee Related - overspend of £1,511k**

This largely reflects the release of a £3,600k provision raised in 2021/22, and the creation of a provision in respect of employer's liability which is funded from funds held in earmarked reserves.

See Corporate Services Directorate Summary for more detail.

#### **Firefighter Pensions – Injury & Ill-Health – overspend of £2,232k**

The overspend relates to higher than budgeted costs associated with the Fire Fighter Pension scheme. The Q3 forecast had assumed that inflation on costs would be contained within budget due to a decreasing number of staff on injury and ill-health pensions. However, the inflationary impact was greater than previously assumed. Work with the Local Pensions Partnership Administration (LPPA) is being undertaken to ensure a robust model for budget planning is in place, with in-year monitoring processes also being reviewed to strengthen the approach to forecasting.

#### **Transport - overspend of £1,099k**

This overspend relates mainly to Technical and Support Service, with £1,230k relating to the vehicle and equipment contract and other vehicle costs such as accident repairs.

## **Comments**

### **Provisional Outturn vs Budget**

#### **Supplies and Services - overspend of £1,067k**

The overspend includes the impact of additional expenditure on telephony of £192k, a provision for the potential return of funding to the EU of £351k and expenditure within Preparedness and Response of £304k on professional services, medical and hygiene supplies.

See individual Directorate Summaries for more detail.

#### **Third Party Payments – overspend of £521k**

This overspend largely relates to actual cost of external audit and pensions service, within Corporate Services, for the 2023/24 financial year.

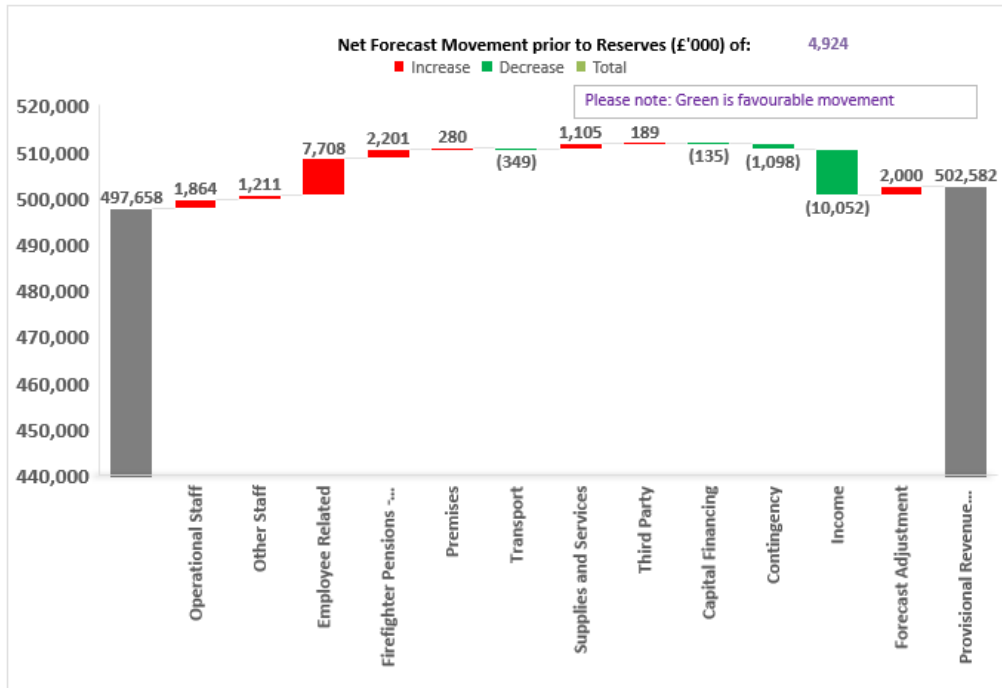
#### **Capital Financing - underspend of £939k**

This underspend is due to a reduced forecast on debt repayment as a result of a revised profile of borrowing to support the capital programme. This also reflects a review of capital financing costs undertaken at the end of Quarter 3. See Capital Programme Summary for more detail.

#### **Income - over-recovery £5,789k**

This over recovery is largely due to higher than budgeted interest receivable income, resulting from both higher interest rates and investment balances of £726k. In addition, higher than planned income in relation to MFB Act £699k, 'shut in lift' charges of £240k, commercial rent of £498k, mutual assistance of £194k and income under the training contract of £218k for ICT services provided. In addition, there has been a release of provision in respect of insurance claims.

## Section A LFC Revenue Summary – Comparison to Previous Forecast (1/2)



## Section A LFC Revenue Summary – Comparison to Previous Forecast (2/2)

### Provisional Outturn vs Reported Forecast at Q3

The provisional outturn for the 2023/24 financial year shows a £2,703k increase in net revenue expenditure (prior to reserves and grants) when compared to the reported Q3 position, which is equivalent to 0.5 per cent of net revenue expenditure. Further information on the key movements is provided below.

#### **Operational Staff – increase on forecast of £1,864k**

The forecast reported at Q3 was based on assumptions on leaver / joiner rates as a result of the pension remedy that had been under review throughout the year. This did not have as significant an impact as previously assumed and therefore actual staff costs are higher than forecast. In addition, actual overtime costs are higher than previously reported, taking into account operational demands, training, sickness levels and skill gaps. These pressures continue to be reviewed in the context of pressure on the budget or future years.

Within the People Directorate, secondment costs of £649k are offset by additional income.

#### **Other Staff – increase on forecast of £1,211k**

This increase includes the impact of secondment costs of £444k within the People Directorate, which are offset by additional income. This also includes an overspend against the central budget for

#### **Employee Related – increase on forecast of £7,708k**

This increase largely reflects cost of insurance claims within General Counsel, offset by additional income received. See Corporate Services summary for more detail.

#### **Firefighter Pensions (Injury & Ill-health) – increase on forecast of £2,201k**

The overspend relates to higher than budgeted costs associated with the Fire Fighter Pension scheme. The Q3 forecast had assumed that inflation on costs would be contained within budget due to a decreasing number of staff on injury and ill-health pensions. However, the inflationary impact was greater than previously assumed. Work with the LPPA is being undertaken to ensure a robust model for budget planning is in place, with in-year monitoring processes also being reviewed to strengthen the approach to forecasting.

#### **Supplies & Services – increase on forecast of £1,105k**

This overspend includes the impact of higher than forecast expenditure on the Airwave contract of £500k, This position is being reviewed with ICT and it is expected that this will be reduced once that review is completed.

The overspend also includes the impact of additional expenditure on telephony of £192k, a provision for the potential return of funding to the EU of £351k and expenditure within Preparedness and Response of £304k on professional services, medical and hygiene supplies.

#### **Contingency – reduction on forecast of £1,098k**

This reduction largely reflects previous forecast cost of maternity policy held centrally in contingency, now built into individual Directorate costs.

**Income – increase on forecast of £10,052k**

Within Corporate Services, this movement includes additional insurance income within General Counsel of £1,475k and release of provision of £2,525k which offsets Employee Related expenditure above, £509k in relation to Commercial Income within Property & Technical Services, and an additional £469k of MFB Act income. £436k of energy reimbursements is partially offsetting energy costs previously included in forecasts. In addition further income has been received for mutual assistance of £194k and income under the training contract of £218k for ICT services provided.

Within Prevention, Protection & Policy, a movement of £1,430k is in regard of Building Safety Regulator income which offsets additional expenditure incurred above.

In addition, secondment income within People Services of £1,374k offsets additional expenditure incurred above.

**Forecast adjustment - £2,000k**

A review of expenditure incurred up to the end of December 2023 had identified a number of areas where forecasts were assuming an increased rate of spend in the last quarter compared to earlier in the year. A resultant central adjustment had been applied to the overall forecast of £2m. This was regularly monitored during Q4, both to inform regular reporting, but also to identify areas for improving forecasting for 2024/25. Additional outturn underspends were then identified in the last quarter against this assumptions, including £1.1m on the central contingency, £0.5m in additional commercial income and £0.5m in additional MFB Act income.

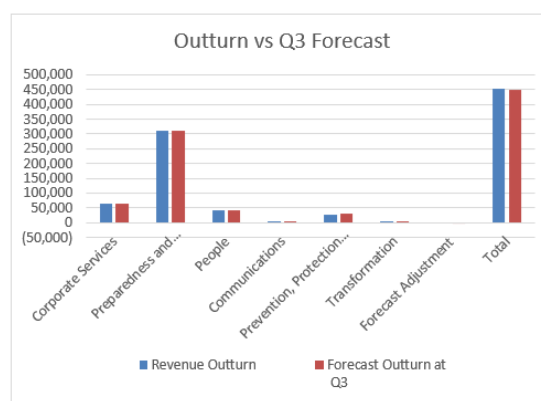
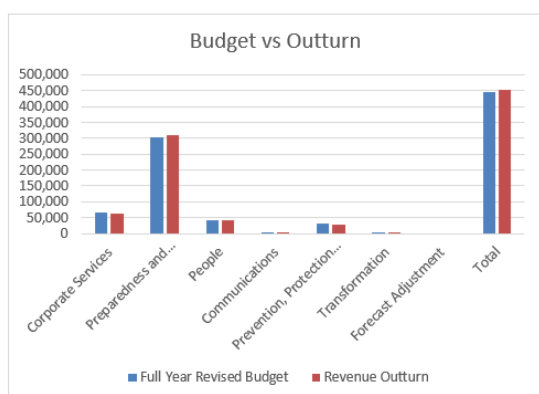
## Section A LFC Revenue Summary (Net Financial Position by Directorate)

The table below sets out the LFC provisional outturn position broken down by Directorate.

The £6,113k provisional outturn overspend is largely driven by the budget pressure seen within the Preparedness & Response and People Directorates.

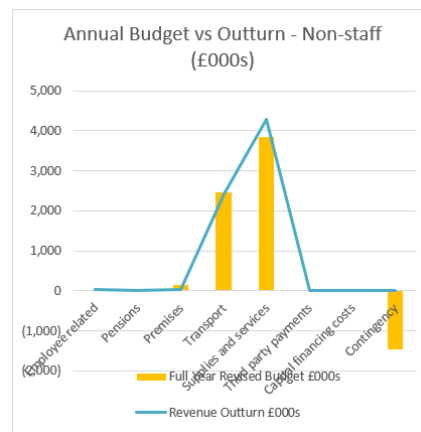
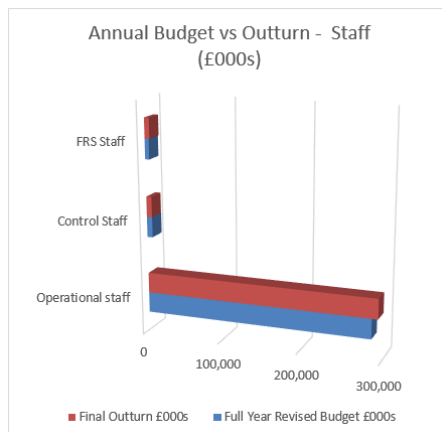
Please refer to each Directorate detailed summary for further information.

Revenue Summary of Net Financial Position - by Directorate (£'000s)					
	A	C	C = [B - A]	D	E = [B - D]
Directorate	Full Year Revised Budget	Revenue Outturn	Variance Outturn vs Revised Budget	Forecast Outturn at Q3	Movement Outturn on Forecast
Corporate Services	66,186	63,488	(2,698)	63,327	161
Preparedness and Response (P&R)	301,737	311,301	9,564	310,297	1,004
People	40,419	42,514	2,095	42,969	(455)
Communications	3,358	3,248	(110)	3,341	(93)
Prevention, Protection and Policy	30,423	27,531	(2,891)	29,260	(1,729)
Transformation	3,678	3,830	153	3,488	343
Forecast Adjustment	0	0	0	(2,000)	2,000
<b>Total</b>	<b>445,800</b>	<b>451,913</b>	<b>6,113</b>	<b>450,682</b>	<b>1,231</b>



## Section A LFC Directorate of Preparedness and Response I/E (1/2)

LFC Revenue (£'000s)	Full Year Revised Budget	Revenue Outturn	Variance Outturn v's Revised Budget	Forecast Outturn at Q3	Movement Outturn on Forecast
Operational Staff	286,057	293,672	7,614	292,860	811
Other Staff	12,551	13,291	739	12,990	301
Employee Related	2	27	25	2	25
Pensions	0	0	0	0	0
Premises	140	37	(103)	20	17
Transport	2,719	2,431	(288)	2,350	81
Supplies and Services	3,981	4,285	304	4,571	(286)
Third Party	0	0	0	0	0
Capital Financing	0	0	0	0	0
Contingency	(1,452)	0	1,452	0	0
Income	(1,945)	(2,367)	(422)	(2,319)	(48)
<b>Net Revenue Expenditure</b>	<b>302,054</b>	<b>311,375</b>	<b>9,321</b>	<b>310,475</b>	<b>900</b>
Use of Reserves	0	0	0	0	0
<b>Financing Requirement</b>	<b>302,054</b>	<b>311,375</b>	<b>9,321</b>	<b>310,475</b>	<b>900</b>
Financed by:					
Specific Grants	(317)	(32)	285	(178)	146
<b>Net Financial Position</b>	<b>301,737</b>	<b>311,343</b>	<b>9,606</b>	<b>310,297</b>	<b>1,046</b>



## Section A LFC Directorate of Preparedness and Response I/E (2/2)

The **Directorate of Preparedness and Response** is responsible for how the Brigade relates to the people it serves (business-to-customer relationships), driving and delivering transformational change, improving culture, and delivering against the Brigade's corporate objectives in its functions. The Directorate incorporates all Fire Stations, Control & Mobilising, Operational Resilience, London Resilience and Central Operations.

<b>Comments</b> <b>Provisional Outturn vs Budget</b>
<p><b>Operational Staff – overspend of £7,614k</b></p> <p>This overspend is largely due to the impact of operational overtime in Fire Stations, £7,225k (£6,349k plus national insurance at an average rate of 13.8%).</p> <p>The Pre-Arranged Overtime (PAO project) has reduced year to date expenditure on PAO from the comparable period in 2022/23. This has been achieved through improved financial controls and a new Priority Crewing Guide to match resource to risk. In 2022/23, there was an overspend on operational overtime of around £12.5m (excluding National Insurance), the largest component of which was due to PAO; the outturn overspend for 2023/24 is £6.8m, a reduction of £5.7m.</p> <p>Further ongoing work in this area, such as recruitment to increase operational staffing levels closer to a full establishment, the training plan to reduce skills gaps and a review of absence (including sickness), should improve this position further.</p>
<p><b>Other Staff – overspend of £739k</b></p> <p>This overspend has largely been driven by challenges on delivering the average vacancy margin savings assumed in the budget for this staff group. This will be closely monitored as an area of risk for the 2024/25 financial year.</p>
<p><b>Supplies and Services – overspend of £304k</b></p> <p>A range of smaller budget pressures have been experienced in Fire Stations (within the Preparedness &amp; Response Directorate) of £248k, including in respect of clothing and materials. Spend in this area is partially offset by additional income received in-year, with increasing cost trend for hygiene and medical supplies approved as budget growth for 2024/25.</p>
<p><b>Contingency – overspend of £1,452k</b></p> <p>The overspend largely reflects £1,500k efficiency savings that had been targeted from Operational Support Unit reform (OSU). Work on the OSU Strategy is now being updated in light of the new Response Strategy, which is taking into account changing risks in London such as wildfires and flooding, and the saving was therefore identified as not being delivered in the 2023/24 financial year. It is still expected that a more effective and efficient model will be developed going forward.</p>
<p><b>Income – over recovery of £422k</b></p> <p>This increased outturn includes £268k above budget income regarding Shut in Lifts charges and additional income in London Resilience Group (LRG) regarding Control of Major Accident Hazards (COMAH) charges of £92k.</p>

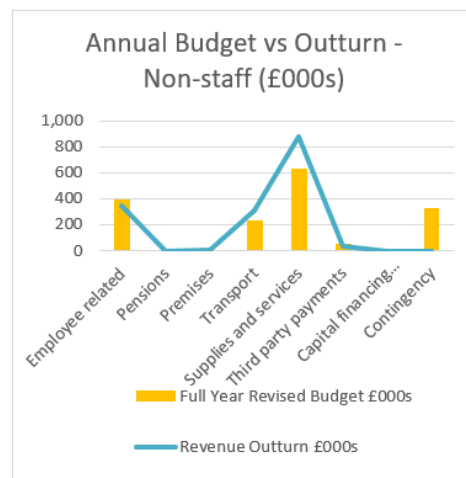
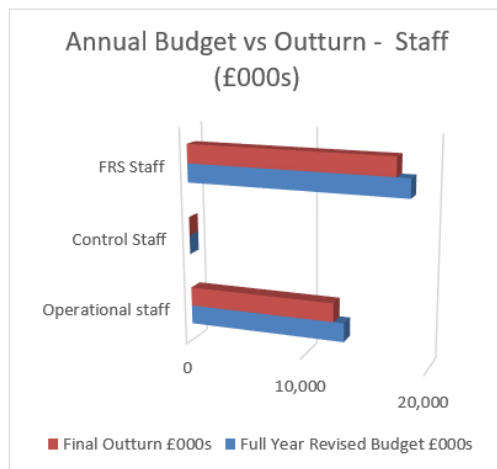
**Comments**  
**Provisional Outturn vs Budget**

**Specific Grants – under recovery of £285k**

Assumptions used at the time of budget setting in relation to grant funding in Operational Resilience were overstated, with subsequent review reflected through the reported forecast. An improved approach to budget planning on grants is being taken forward for 2024/25.

## Section A LFC Directorate of Prevention, Protection and Policy I/E (1/2)

LFC Revenue (£'000s)	Full Year Revised Budget	Revenue Outturn	Variance Outturn v's Revised Budget	Forecast Outturn at Q3	Movement Outturn on Forecast
Operational Staff	13,227	12,400	(827)	12,376	24
Other Staff	19,528	17,132	(2,396)	17,354	(221)
Employee Related	390	351	(39)	398	(47)
Pensions	0	0	0	0	0
Premises	0	7	7	7	0
Transport	228	310	82	274	36
Supplies and Services	925	881	(44)	944	(63)
Third Party	53	35	(18)	83	(47)
Capital Financing	0	0	0	0	0
Contingency	330	0	(330)	183	(183)
Income	(2,343)	(1,877)	466	(485)	(1,392)
<b>Net Revenue Expenditure</b>	<b>32,339</b>	<b>29,239</b>	<b>(3,100)</b>	<b>31,132</b>	<b>(1,893)</b>
Use of Reserves	(1,876)	(1,699)	177	(1,786)	87
<b>Financing Requirement</b>	<b>30,463</b>	<b>27,541</b>	<b>(2,922)</b>	<b>29,347</b>	<b>(1,806)</b>
Financed by:					
Specific Grants	(40)	16	57	(87)	103
<b>Net Financial Position</b>	<b>30,423</b>	<b>27,557</b>	<b>(2,866)</b>	<b>29,260</b>	<b>(1,704)</b>



## Section A LFC Directorate of Prevention, Protection and Policy I/E (2/2)

The **Directorate of Prevention, Protection and Policy** is responsible for how the Brigade relates to other businesses and agencies (business-to-business) and is responsible for driving and delivering transformational change, improving culture, and delivering against the Brigade's corporate objectives in its functions. The Directorate incorporates Operational Policy & Assurance and Prevention & Protection (Regulatory and Community).

<b>Comments (Provisional Outturn vs Budget)</b>
<p><b>Operational Staff – underspend of £827k</b> This underspend relates to Prevention &amp; Protection (Fire Safety Delivery) largely as a result of vacancies within the service. This is due to a skills shortage across the sector which will impact on our ability to undertake inspection of buildings. Various measures are being taken forward to address this.</p> <p><b>Other Staff – underspend of £2,396k</b> This underspend reflects vacancies across FRS staff.</p> <p>The underspends reported across both staffing groups reflect vacancies against the approved establishment. Approval has been given for salary underspends to be used to fund market rate supplements (skills payments) for FRS qualified staff, as one of a number of measures seeking to improve staff retention. Options to employ retired staff without pensions being abated are also being taken forward. This is proposed as an interim arrangement whilst a longer term solution to the challenges is developed, including through the FRS pay review.</p> <p><b>Contingency - underspend of £330k</b> This largely relates to timing of National Operational Guidance (NOG) spend, funded by reserves £174k, alongside further underspends in Fire Safety as a result of the current staffing structure.</p> <p><b>Income – under recovery of £466k</b> This under recovery relates to environmental searches within Advisory Services of £85k, £155k from a drop in sponsorship income and £139k from Protection Board secondments.</p>

**Operational Staff – underspend of £827k**

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**Contingency - underspend of £330k**

This largely relates to timing of National Operational Guidance (NOG) spend, funded by reserves £174k, alongside further underspends in Fire Safety as a result of the current staffing structure.

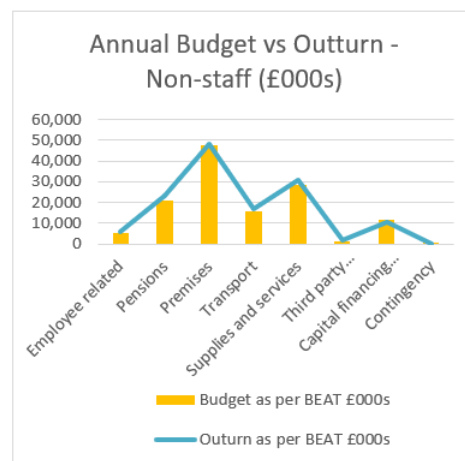
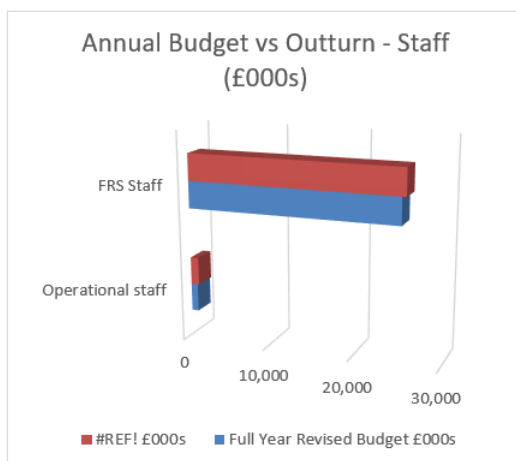
**Income – under recovery of £466k**

This under recovery relates to environmental searches within Advisory Services of £85k, £155k from a drop in sponsorship income and £139k from Protection Board secondments.

## Section A LFC Directorate of Corporate Services I/E (1/2)

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

LFC Revenue (£'000s)	Full Year Revised Budget	Revenue Outturn	Variance Outturn v's Revised Budget	Forecast Outturn at Q3	Movement Outturn on Forecast
Operational Staff	797	959	162	870	89
Other Staff	25,202	25,693	491	24,959	734
Employee Related	7,334	10,017	2,683	1,714	8,302
Pensions	20,773	23,005	2,232	20,804	2,201
Premises	48,094	48,001	(93)	47,729	272
Transport	15,676	16,938	1,262	16,991	(53)
Supplies and Services	29,276	29,963	687	29,085	878
Third Party	1,269	1,819	549	1,571	247
Capital Financing	11,524	10,585	(939)	10,720	(135)
Contingency	676	0	(676)	886	(886)
Income	(51,676)	(55,670)	(3,994)	(50,710)	(4,960)
<b>Net Revenue Expenditure</b>	<b>108,945</b>	<b>111,310</b>	<b>2,365</b>	<b>104,621</b>	<b>6,689</b>
Use of Reserves	(10,489)	(15,910)	(5,421)	(9,424)	(6,486)
<b>Financing Requirement</b>	<b>98,457</b>	<b>95,401</b>	<b>(3,056)</b>	<b>95,197</b>	<b>204</b>
Financed by:					
Specific Grants	(32,270)	(31,913)	357	(31,870)	(43)
<b>Net Financial Position</b>	<b>66,186</b>	<b>63,488</b>	<b>(2,698)</b>	<b>63,327</b>	<b>161</b>



## Section A LFC Directorate of Corporate Services I/E (2/2)

### Comments (Provisional Outturn vs Budget)

#### **Other Staff – overspend of £491k**

*This includes the impact of past pension costs of £316k.*

#### **Employee related – underspend of £2,683k**

This reflects the release of a £3,600k provision raised in 2021/22 as a result of potential compensation costs for staff impacted by the Pensions Remedy. This provision has now been released on the basis any costs will be covered by Central Government.

#### **Firefighter Pensions – overspend of £2,232k**

The overspend relates to higher than budgeted costs associated with the Fire Fighter Pension scheme. The Q3 forecast had assumed that inflation on costs would be contained within budget due to a decreasing number of staff on injury and ill-health pensions. However the inflationary impact was greater than previously assumed. Work with the LPPA is being undertaken to ensure a robust model for budget planning is in place, with in-year monitoring processes also being reviewed to strengthen the approach to forecasting.

#### **Transport – overspend of £1,262k**

This overspend relates to pressures within Property - Technical & Support Service from inflation on the vehicle and equipment contract, alongside an increased trend of accident repairs and wear and tear costs incurred over and above the core contract.

An overspend of £809k on contract spend largely reflects differences in inflation indexation, with actual inflation of just over 8% compared to 5% assumed at the time of budget setting.

An overspend of £421k on vehicle passthroughs (these are unplanned costs outside of contract) reflects a developing increase in this area. This is broken down by:

- £275k on accident repairs – these are now reviewed quarterly based on driver behaviour changes, with data shared with Fire Stations in order to drive down accidents.
- £154k on NFWT (non-fair wear and tear) on vehicles – work continues with the contractor, Babcock, on engineering solutions to reduce damage as well as highlighting regular incidents to Fire Stations. This will also be reviewed quarterly to identify opportunities to influence future spend.

#### **Supplies & Services – overspend of £687k**

The overspend includes the impact of a provision for the potential return of funding to the EU of £351k.

#### **Third Party – overspend of £549k**

This overspend relates to actual cost of external audit and pensions service for the 2023/24 financial year.

**Comments**  
**(Provisional Outturn vs Budget)**

**Capital Financing – underspend of £939k**

This underspend is due to a reduced forecast on debt repayment as a result of a revised profile of borrowing to support the capital programme. See Capital Programme Summary for more detail.

**Contingency – underspend of £676k**

This reflects centrally held contingency, now built into individual Directorate costs, such as for maternity leave policy.

**Income – over recovery of £3,994k**

This over recovery is largely due to higher than budgeted interest receivable income, resulting from both higher interest rates and investment balances of £726k. In addition, higher than planned income in relation to MFB Act £699k, commercial rent of £498k, mutual assistance of £194k and income under the training contract of £218k for ICT services provided.

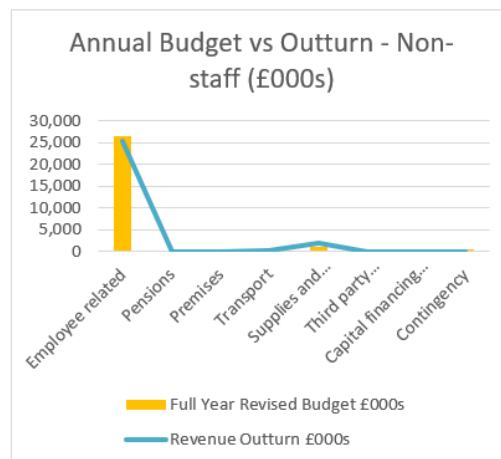
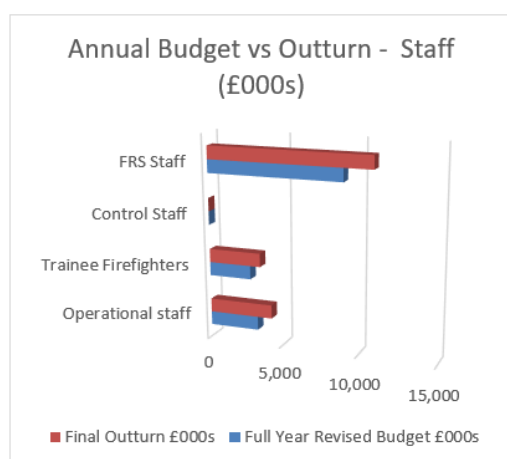
**Specific Grants – under recovery of £357k**

This under recovery reflects reduced grant income from the Home Office in respect of Firelink which is now being phased out over the next three years.

## Section A LFC Directorate for People I/E (1/2)

The **Directorate for People** oversees every aspect of the people who work with the Brigade; the development and wellbeing of everyone in the workplace. The Directorate incorporates the following departments: People Services, Training & Professional Development, and Health & Safety. This is subject to change in relation to structural changes in the directorate, which will be reflected in 2024/25 reporting.

LFC Revenue (£'000s)	Full Year Revised Budget	Revenue Outturn	Variance Outturn v's Revised Budget	Forecast Outturn at Q3	Movement Outturn on Forecast
Operational Staff	6,703	7,695	992	6,937	759
Other Staff	9,434	10,897	1,463	10,416	481
Employee Related	26,755	25,524	(1,230)	26,174	(649)
Pensions	0	0	0	0	0
Premises	22	29	7	27	2
Transport	95	502	407	559	(57)
Supplies and Services	1,628	1,914	287	1,331	584
Third Party	0	0	0	0	0
Capital Financing	0	0	0	0	0
Contingency	409	0	(409)	29	(29)
Income	(1,822)	(1,525)	297	(151)	(1,374)
<b>Net Revenue Expenditure</b>	<b>43,225</b>	<b>45,038</b>	<b>1,813</b>	<b>45,321</b>	<b>(283)</b>
Use of Reserves	(2,807)	(2,524)	283	(2,351)	(173)
<b>Financing Requirement</b>	<b>40,419</b>	<b>42,514</b>	<b>2,095</b>	<b>42,969</b>	<b>(455)</b>
Financed by:					
Specific Grants	0	0	0	0	0
<b>Net Financial Position</b>	<b>40,419</b>	<b>42,514</b>	<b>2,095</b>	<b>42,969</b>	<b>(455)</b>



## Section A LFC Directorate for People I/E (2/2)

### Comments (Provisional Outturn vs Budget)

#### **Operational Staff - overspend of £992k**

The overspend is largely linked to trainee firefighter (TFF) staff costs (£678k) and additional staff within the Training & Professional Team. The increase costs linked to trainee firefighters relates to increased re-coursing due to performance/development and sickness related issues. A longer, more flexible Firefighter Development training course is being implemented that is expected to reduce re-coursing levels. Plans have also been made to introduce a Welfare Team to assist with TFF wellbeing. Investment proposals for both initiatives were submitted as part of 2024/25 budget planning.

#### **Other Staff – overspend of £1,463k**

This overspend is largely due to changes in the leadership of the People Directorate which has been addressed using interim leadership and temporary supernumerary roles to drive improvement and transformation.

#### **Employee Related – underspend of £1,230k**

This underspend relates to professional development in Learning & Professional Development, with updated forecast assumptions on the 2023/24 training contract delivery plan.

#### **Transport – overspend of £407k**

This overspend is largely due to additional vehicle costs of £330k and vehicle and equipment contract £111k (unitary payment) for the supply of fire engines to support additional Incident Command Training at the Fire Service College. Much of this is offset by Contingency budget as mentioned below.

#### **Supplies & Services – overspend of £287k**

This overspend largely reflects costs of the Conflict Management System, funded by approved use of reserves.

#### **Contingency – underspend of £409k**

This underspend is being maintained to allow the contingency to mitigate against other overspends anticipated, in particular the vehicle purchases (transfer to fleet) of £330k.

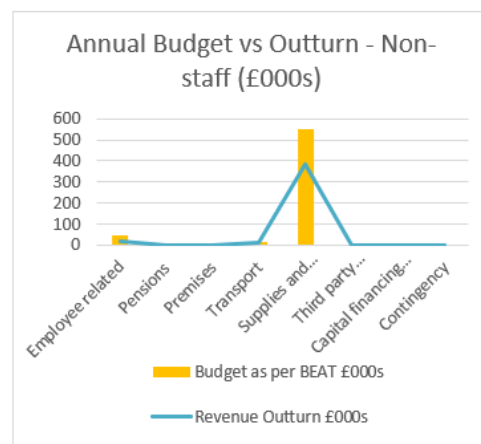
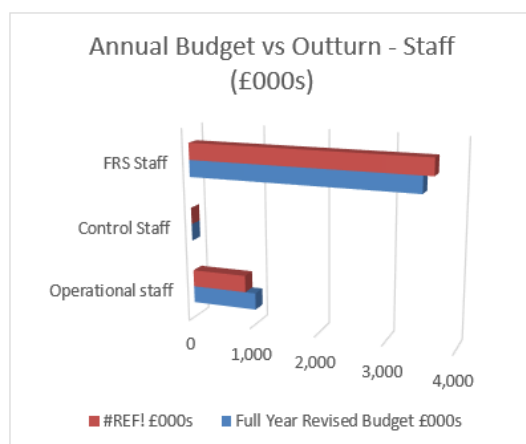
#### **Income – under recovery of £297k**

This under recovery is largely due to a reduction in the sub-officer secondments to Babcock. Based on previous trends, a corresponding reduction in operational staff spend would be seen, however this is being offset by other operational staffing overspends. See operational staff comments above.

## Section A LFC Directorate for Transformation I/E (1/2)

The **Directorate for Transformation** exists to lead positive change and help shape the future of the Brigade. It provides efficient services and processes across the organisation that better enable the delivery of change and achievement of the ambition in the Community Risk Management Plan. Those services include enterprise risk management and assurance, performance management, portfolio and change management, external compliance (e.g. HMI) and strategic planning. Its focus is on enabling staff to deliver the transformation commitments to ensure safety for the community, colleagues and future residents of London.

LFC Revenue (£'000s)	Full Year Revised Budget	Revenue Outturn	Variance Outturn v's Revised Budget	Forecast Outturn at Q3	Movement Outturn on Forecast
Operational Staff	1,007	846	(161)	705	141
Other Staff	3,477	3,631	154	3,541	90
Employee Related	44	18	(26)	40	(22)
Pensions	0	0	0	0	0
Premises	0	0	0	0	0
Transport	12	14	2	3	11
Supplies and Services	552	385	(167)	481	(96)
Third Party	0	0	0	0	0
Capital Financing	0	0	0	0	0
Contingency	0	0	0	0	0
Income	0	(6)	(6)	(2)	(4)
<b>Net Revenue Expenditure</b>	<b>5,092</b>	<b>4,888</b>	<b>(204)</b>	<b>4,769</b>	<b>119</b>
Use of Reserves	(1,414)	(1,058)	356	(1,281)	224
<b>Financing Requirement</b>	<b>3,678</b>	<b>3,830</b>	<b>153</b>	<b>3,488</b>	<b>343</b>
Financed by:					
Specific Grants	0	0	0	0	0
<b>Net Financial Position</b>	<b>3,678</b>	<b>3,830</b>	<b>153</b>	<b>3,488</b>	<b>343</b>



## Section A LFC Directorate for Transformation I/E (2/2)

### Comments (Provisional Outturn vs Budget)

The Transformation Directorate is still developing, with recruitment and embedding of staff ongoing as the next phase of programmes under CRMP develop. Alignment of total net budget therefore developed throughout the year and will be reviewed for 2024/25.

**Operational Staff – underspend of £161k**

**Other Staff – overspend of £154k**

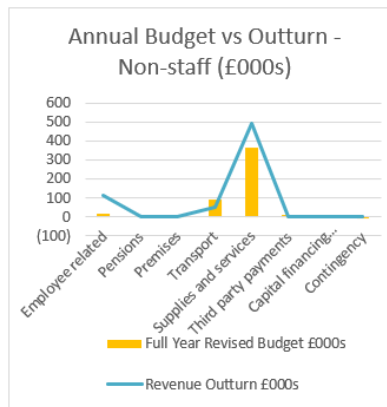
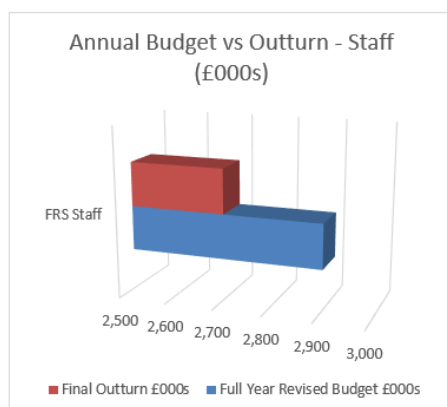
**Supplies & Services – underspend of £167k**

The outturn reflects timing and profile of recruitment within the service. A net underspend across the Directorate has resulted in a lower than planned drawdown from the CRMP reserve to March 2024, with no overall material variance experienced for the year.

## Section A LFC Directorate of Communications I/E (1/1)

The **Directorate of Communications** oversees Internal and External Communications, and Stakeholder and Community Engagement for the London Fire Commissioner.

LFC Revenue (£'000s)	Full Year Revised Budget	Revenue Outturn	Variance Outturn vs Revised Budget	Forecast Outturn at Q3	Movement Outturn on Forecast
Operational Staff	0	40	40	0	40
Other Staff	2,900	2,698	(202)	2,871	(173)
Employee Related	15	114	99	15	99
Pensions	0	0	0	0	0
Premises	10	0	(10)	10	(10)
Transport	90	52	(37)	90	(37)
Supplies and Services	361	489	128	361	128
Third Party	11	0	(11)	11	(11)
Capital Financing	0	0	0	0	0
Contingency	(12)	0	12	0	0
Income	(17)	(59)	(42)	(17)	(42)
<b>Net Revenue Expenditure</b>	<b>3,358</b>	<b>3,335</b>	<b>(23)</b>	<b>3,341</b>	<b>(6)</b>
Use of Reserves	0	(87)	(87)	0	(87)
<b>Financing Requirement</b>	<b>3,358</b>	<b>3,248</b>	<b>(110)</b>	<b>3,341</b>	<b>(93)</b>
Financed by:					
Specific Grants	0	0	0	0	0
<b>Net Financial Position</b>	<b>3,358</b>	<b>3,248</b>	<b>(110)</b>	<b>3,341</b>	<b>(93)</b>



## Section A LFC Directorate of Communications I/E (2/2)

<b>Comments (Provisional Outturn vs Budget)</b>
<p><b>Other Staff - underspend of £202k</b> Lead in time for recruitment in regard to investment in additional staff agreed as part of the 2023/24 budget has generated an underspend for the year.</p> <p><b>Supplies &amp; Services – overspend of £128k</b> This overspend is largely due to costs of CMS upgrade that are funded from reserves.</p>

## Section B LFC Capital Summary Main Table

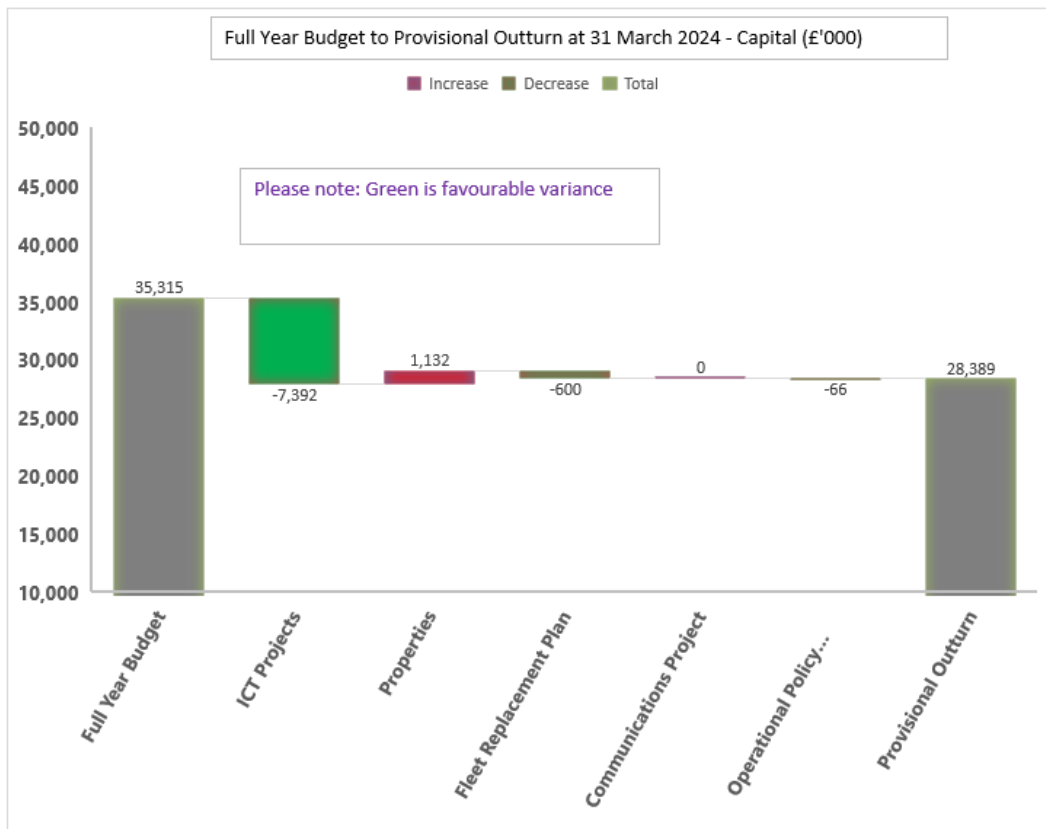
The Capital Budget for 2023/24 was set at £35,400k and was approved as part of the Final Budget 2023/24 (LFC-23-029). This budget was adjusted to £35,315k to reflect the capital outturn position, and re-phasing of the capital programme at Q1.

The 2023/24 provisional outturn on the capital programme is £28,389k, a reprofiling of £6,926k largely in relation to timing of ICT projects. In contrast to previous years, the Property department (which accounts for the largest element of capital) has spent all of its budget.

The LFC has undertaken a review of its approach to the management of the capital programme, and the report and recommendations from a Capital Review were considered at the Investment & Finance Board on 3 August. An action plan is now being implemented and will be reflected in future financial reporting.

<b>London Fire Commissioner Capital Summary (£'000s)</b>					
<b>LFC Capital (£'000s)</b>	<b>Full Year Budget</b>	<b>Provisional Outturn</b>	<b>Variance Provisional Outturn vs Revised Budget</b>	<b>Forecast Outturn at Q3</b>	<b>Movement Provisional Outturn v Q3 Forecast</b>
ICT Projects	9,980	2,588	-7,392	5,440	-2,852
Properties	16,416	17,548	1,132	16,022	1,526
Fleet Replacement Plan	3,185	2,585	-600	2,664	-79
Communications Project	0	0	0	0	0
Operational Policy Equipment	5,734	5,668	-66	5,762	-94
<b>Total Capital Expenditure</b>	<b>35,315</b>	<b>28,389</b>	<b>-6,926</b>	<b>29,888</b>	<b>-1,499</b>
<b>Financed by:</b>					
Reserves	0	250	250	250	0
Capital Receipts	0	332	332	327	5
Capital Grants	0	1,046	1,046	0	1,046
Borrowing	35,315	26,761	-8,554	29,311	-2,550
<b>Total Financing</b>	<b>35,315</b>	<b>28,389</b>	<b>-6,926</b>	<b>29,888</b>	<b>-1,499</b>

## Section B LFC Capital Summary - Budget to Provisional Outturn (1/2)



## Section B LFC Capital Summary - Budget to Provisional Outturn (2/2)

### Comments

#### Full Year Latest Forecast vs Budget

**Overall, a reprofiling of £6,926k is reported on the capital programme.**

#### **ICT Projects - reprofiling of £7,392k**

This underspend relates to several projects as outlined below.

Control & Mobilisation System (CAMS) project - £2,770k re-profiled to 2024-25 due to procurement delays and issues with recorded voice for the 999-system part of the project. There had been delays in issuing the tender for this project with legal and procurement colleagues finalising the specification to ensure a robust procurement process. The project has been pushed back again by the Team managing the recorded voice for the 999-system part of the project.

Mobile Data Terminal - £1,580k tender returned lower cost of £1,286k, but the entire project has slipped to 2024-25 due to delayed procurement.

Audio Equipment for Union St - £63k- the equipment has been delivered but the costs covered by another budget.

Core Network Component Replacement project (CNCR) - £500k re-phased following changes in technology and security posture that require a re-design of the network, and so formal approval through governance is now expected, and time to allow this is reflected in the project timeline.

Data Centre Switches Replacement - £293k has been re-phased and this project now merged with the CNCR project above.

Operational Risk Database (One Risk) - £1,100k has been put on hold and re-phased, following the Project Board decision to pause the project, to develop an alternative delivery approach and re-shape some of the requirements. This is to address the challenges experienced in the project to date as well recognising that several of the recommendations from the Grenfell Tower Inquiry associated with One Risk, particularly those relating to high-rise requirements, have now been delivered.

Appliance workload Application - £500k has been re-phased as there is an interdependency with Project One Risk above.

VM Server Environment Hosts - £254k budget slippage from 2022/23 previously re-profiled to 2024/25 brought forward to the current year due to variation in the purchase.

#### **Property Project - Overspend of £1,132k**

The £1,202k overspend is contributed by over & under spends largely from Plumstead £1,076k (due to project ahead of plan), Lambeth River Station £1,076k (exterior work not in the budget), Salix Carbon reduction £980k and Roof replacement -£1,043k (due to lower price from re-tendering). In addition, HQ Relocation of £454k brought forward from future

## Comments

### Full Year Latest Forecast vs Budget

years, Privacy For All £546k overspend and several other projects underspent significantly reduced the impact of the overspend budgets.

The following are projects with major underspends most of which have been re-profiled to future years:

Premises Assets Replacement Unallocated -£500k budget now fully allocated to other projects.

Heating -£372k reprofiled into future years 2024/25 as Euston heating works are now due to complete 2024/25 Q1.

Window Replacement -£395k due to delays in obtaining listed planning consent for Euston Fire Station.

Carbon Strategy Estate Works -£352k due to PV schemes project on hold.

Security improvements at Fire Station -£326k due to procurement delays. The project has not advanced as programmed due to delay in awarding contracts.

#### **Fleet Replacement Plan - reprofiling of £600k**

This relates to cost reduction in the Operational Equipment project and reprofiling £1,606k to future years, and £117k overspend in the Specialist Heavy Vehicle project,

The Operational Equipment -£1,606k underspend and reprofiling relates to reduction in costs of equipment such as the Ground Attack Monitors (GAM), where we have been able to re-profile the life of the item and will replace only as and when needed. Additionally, the forecast delivery of equipment such as Lightweight Portable Pumps have been reviewed and deferred to the next financial year as this is currently not causing any operational concerns.

Specialist Heavy Vehicles £117k overspend is due to Command Support Unit project additional change requests and capitalised staff costs but still within LFC approved budget.

## Summary – Savings and Investments Update (1/2)

The table below presents the current status of savings agreed as part of the budget 2023/24. The position will continue to be reviewed through the financial year, to ensure savings are delivered or potential non-delivery identified at the earliest opportunity.

Reference	Area	Saving Title	Savings Budget 2023/24	Status Update - will we meet target?
Current	Property	Office Supplies	17	On-track
Fin 1C	Finance	MFB Act Income	500	On-track
ICT - S15C	ICT	Staffing	70	On-track
ICT - S06P	ICT	Data Platform	180	On-track
ICT - S10P	ICT	Incident Command Operating System	125	On-track
ICT - S11P	ICT	Staffing	299	On-track/Achieved
ICT - S15P	ICT	Staffing	70	On-track
11P	Procurement and Commercial	Insurance Claim Settlements	-150	On-track
Proc1C	Procurement and Commercial	Personal Protective Equipment (PPE) Contract	61	On-track
Proc2C	Procurement and Commercial	Scientific Services Contract	34	On-track
Proc5C	Procurement and Commercial	Undress Uniforms	150	High Risk
	<b>Corporate Services</b>	<b>Total</b>	<b>1,356</b>	
Current	Communications	Internal Communications	44	On-track
	<b>Communications</b>	<b>Total</b>	<b>44</b>	
PS2P	People	Staffing	54	On-track
PS3P	People	Recruitment Advertising	8	On-track
Current	People	Staffing	18	On-track
LaPD1&2C	Learning and Professional Development	Miscellaneous	2	On-track/Achieved
LaPD3C	Learning and Professional Development	The Organisational Learning and Professional Development Strategy	350	On-track/Achieved
H&S 1P & H&S 1C	Health and Safety	Staffing	35	On-track
	<b>People</b>	<b>Total</b>	<b>467</b>	
	Operational Resilience	Grants	178	On-track
LRG4P	London Resilience	Recruitment Advertising	4	On-track
FS1	Fire Safety	Review of budgets across the dept	166	Moderate Risk
FS2P	Fire Safety	Policy Teams Review	23	High Risk
FS15P	Fire Safety	Reduce Team Leader cadet down from 16 to 14 – delete 2 SC	86	On-track/Achieved
	<b>Operational Delivery</b>	<b>Total</b>	<b>457</b>	
	<b>LFB</b>	<b>Total</b>	<b>2,324</b>	

## Summary – Savings and Investments Update (2/2)

The table below presents the current status of investment agreed as part of the budget 2023/24. The position will continue to be reviewed through the financial year, to ensure investments are delivered or potential non-delivery identified at the earliest opportunity.

Ref	Area	Investment Title	Investment Budget 2023/24	Status Update - will investment continue as planned in 23/24 Budget
LFC – 0738 (section 5.1)C	Commissioners Secretariat	Reintroduction of a second Operational Director post	240	Yes
LPB	Commissioners Secretariat	Local Pensions Board	15	Yes
	Commissioners Secretariat	EA	50	Yes
	<b>Commissioners Secretariat</b>	<b>Total</b>	<b>305</b>	
Current	Finance	Training	15	Yes
Current	General Counsel	Supplies	25	Yes
Current	General Counsel	Supplies	6	Yes
ICT001C	ICT	Supplies	40	Yes
Previous	ICT	Supplies	281	Yes
Previous	ICT	Supplies	30	Yes
Previous	ICT	Supplies	157	Yes
Previous	ICT	Supplies	143	Yes
Proc3C	Technical & Commercial	Supplies	247	Yes
Current	Property	Enhanced cleaning proposals	329	Yes
Current	Property	Enhanced cleaning proposals - PFI stations	53	Yes
	<b>Corporate Services</b>	<b>Total</b>	<b>1,326</b>	
Current	Comms	Staffing	20	Yes
Current	Comms	Staffing	57	Yes
Current	Comms	Staffing	44	Yes
Current	Comms	Staffing	44	Yes
Current	Comms	Staffing	57	Yes
Current	Comms	Staffing	71	Yes
Current	Comms	Staffing	8	Yes
Current	Comms	Staffing	8	Yes
Current	Comms	Staffing	7	Yes
Current	Comms	Staffing	22	Yes
Current	Comms	Staffing	22	Yes
Current	Comms	Staffing	71	Yes
Current	Comms	Training	15	Yes
Current	Comms	Activity Based	100	Yes
	<b>Communications</b>	<b>Total</b>	<b>546</b>	
LaPD-PDR	Learning and Professional Development	Removal of PDR	468	Yes
Current	People	Occupational Health	412	Yes
Current	People	Staffing	-38	Yes
	<b>People</b>	<b>Total</b>	<b>842</b>	
Previous	Fire Safety		126	Yes
Previous	Fire Safety		56	Yes
	Prevention & Protection	Advisory Services - Income	54	Yes
	Prevention & Protection	Cadet Services – Income reduction	150	Yes
Current	Operational Resilience		146	Yes
	Operational Policy		297	Yes
Current	Operational Resilience		350	Yes
Current	Operational Resilience		379	Yes
	<b>Operational Delivery</b>	<b>Total</b>	<b>1,558</b>	
	<b>LFB</b>	<b>Total</b>	<b>4,577</b>	

## Summary – Reserves Position Update (1/2)

The outturn balance on Reserves at March 2024 is £80,529k, a movement of £25,087k against the opening balance at March 2023 of £105,616k.

The outturn balance at March 2024 is an increase of £799k on the £79,730k set out in the Final Budget 2023/24 (LFC-23-029), and an increase on the £79,520k reported at Q3. Total net use of reserves in-year has decreased by £825k on that reported at Q3. This movement reflects the lower than anticipated spend against earmarked reserves in 2023/24.

### **General Reserve**

The balance on the General Reserve at March 2024 is at £17,222k, which is 3.5 per cent of the Net Revenue Expenditure (NRE) budget of £486,804k. This includes an increased in-year transfer of £3,349k from the Budget Flexibility Reserve, following the review of opening balances as a result of the 2021/22 audit. The General Reserve has also been topped up from the Budget Flexibility Reserve to return funding required by the LFC overspend position.

### **Budget Flexibility Reserve (BFR)**

The balance on the BFR at March 2024 is now £13,543k, a net movement of £11,226k against the opening balance of £24,769k. This reflects the increased draw to the General Reserve as above.

The change in drawdown from the BFR since that reported at Q3 is £622k. This reflects the changes to the outturn overspend position as well as transfers between reserves. These transfers include:

- Additional £522k to the London Resilience reserve as part of the move of the London Resilience Group from the LFC to the GLA.
- A new Building Safety Regulator Reserve of £1,711k to hold earmarked funding supplied by the Home Office.
- Additional £100k for the Vehicle and Equipment Reserves for life jackets.

### **Earmarked Reserves**

The balance on earmarked reserves at March 2024 is £49,766k, a net movement of £17,208k against the opening balance of £66,974k. The table below summarises movements on all reserves.

## Summary – Reserves Position Update (2/2)

LFB Reserves £'000	Balance at 01/04/23	Outturn for 2023/24			Previous Full Year Forecast as at 31 December 2023		Previous Full Year Forecast as per Budget Plan	
		Full Year Use of Reserves	Movements between reserves	Outturn Balance at 31/03/2024	Full Year Forecasted use of Reserves	Q4 Movement on Q3	Full Year Forecasted use of Reserves	Q4 Movement on Budget Plan
Capital Expenditure Reserve	7,045		(7,045)	0	(7,045)	0	(7,045)	0
Central Programme Office	328		(328)	0	(328)	0	0	(328)
Compensation	925	(176)		749	0	(176)	0	(176)
Emergency Medical Response	294		(294)	0	(294)	0	0	(294)
Emergency Services Mobile Communication Programme	888			888	89	(89)	0	0
Fire Safety and Youth Engagement	8,189	(1,612)		6,577	(1,428)	(184)	(2,100)	488
Building Safety Regulator		1,711		1,711		1,711		1,711
Grenfell Infrastructure Reserve	503	(288)		215	(503)	215	(600)	312
Hydrants	119	(119)		0	(119)	0	(119)	(0)
ICT Development Reserve	2,663	(32)		2,631	(967)	935	(200)	168
In Year Savings Reserve	3,600	(2,000)	(1,600)	0	(3,600)	0	(2,000)	(1,600)
LFB Museum Project	179			179	(120)	120	(120)	120
LFC Control Centre	729		(729)	0	(729)	0	0	(729)
London Resilience	771	538	32	1,341	(771)	1,341	(771)	1,341
Community Risk Management Plan	5,588	(900)		4,688	(2,030)	1,130	(2,700)	1,800
Organisational Reviews	150		(150)	0	(150)	0	0	(150)
Pension Earmarked Reserve	1,564	(5)		1,559	(1,000)	995	0	(5)
Recruitment Reserve			1,342	1,342	1,342	0	0	1,342
Sustainability	170			170	0	0	0	0
Vehicle & Equipment Reserve	2,159	58	140	2,358	(1,156)	1,355	(1,300)	1,498
Leadership Reserve	350	(223)		127		(223)	0	(223)
MTA Reserve	997	(711)		287		(711)	(600)	(111)
HR Reserve			107	107	107	0	(200)	307
Communications	83	(87)	114	110	31	(4)	0	27
Fire Safety Improvement	29,680	(4,969)		24,711		(4,969)	0	(4,969)
Finance Reserve			15	15	15	0	0	15
<b>TOTAL Earmarked Reserves</b>	<b>66,974</b>	<b>(8,814)</b>	<b>(8,396)</b>	<b>49,764</b>	<b>(18,657)</b>	<b>1,447</b>	<b>(17,755)</b>	<b>545</b>
Budget Flexibility	24,769	(10,160)	(1,066)	13,543	(10,604)	(622)	(6,300)	(4,926)
General Reserve	13,873	(6,113)	9,462	17,222	3,349	0	0	3,349
<b>TOTAL Reserves</b>	<b>105,616</b>	<b>(25,087)</b>	<b>(0)</b>	<b>80,529</b>	<b>(25,912)</b>	<b>825</b>	<b>(24,055)</b>	<b>(1,032)</b>

## Summary – Revenue Budget Movements (Q3 vs Q2) Update (1/1)

The budget figures as at Q1 set out in the table below reflect the budget profile reported as part of the 30 June 2023 financial position. The revised budget takes account of movements since that time that have been approved through delegated authority governance, mainly as a result of the application of agreed use of reserves in-year.

LFC Revenue (£'000)	Revised Budget as at Q1	Revised Budget as at Q2	Revised Budget as at Q3	Variance Q2 v's Q1	Variance Q3 v's Q2	Variance Q3 v's Q1
01-Operational staff	306,917,213	306,956,976	307,142,549	39,763	185,573	225,336
02-Other staff	69,194,470	71,037,202	71,437,714	1,842,732	400,512	2,243,244
03-Employee related	29,028,158	32,012,504	32,012,504	2,984,346	-	2,984,346
04-Pensions	20,772,662	20,772,662	20,772,662	-	-	-
05-Premises	47,831,189	47,831,189	47,831,189	-	-	-
06-Transport	18,469,533	18,558,030	18,558,030	88,497	-	88,497
07-Supplies and services	33,459,705	35,260,861	35,260,861	1,801,156	-	1,801,156
08-Third party payments	1,333,134	1,333,134	1,333,134	-	-	-
09-Capital financing costs	11,524,000	11,524,000	11,524,000	-	-	-
10-Contingency	25,757	232,146	6,073	206,389	- 226,073	- 19,684
11-Other income	- 51,744,596	- 51,935,703	- 52,229,247	- 191,107	- 293,544	- 484,651
<b>Net Revenue Expenditure</b>	<b>486,811,225</b>	<b>493,583,001</b>	<b>493,649,469</b>	<b>6,771,776</b>	<b>66,468</b>	<b>6,838,244</b>
13-Use of earmarked reserves	- 8,383,624	- 15,155,401	- 15,221,868	- 6,771,777	- 66,468	- 6,838,244
<b>Financing Requirement</b>	<b>478,427,601</b>	<b>478,427,601</b>	<b>478,427,601</b>	<b>- 0</b>	<b>0</b>	<b>0</b>
14-Specific grants	- 32,627,601	- 32,627,601	- 32,627,601	-	-	-
15 - GLA Funding	- 445,800,000	- 445,800,000	- 445,800,000	-	-	-
<b>Net Financial Position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Total Budget Movement

The total Net Expenditure Budget at Q3 is £495,100k, a movement of £8,289k against the budget reported at Q1. This largely reflects the profile of reserve funded spend approved through relevant governance, with key changes being:

- Other Staff
  - £802k in Transformation Directorate reflecting in-year use of approved CRMP drawdown
  - £1,021 in Prevention, Protection & Policy largely in respect of Protection Board spend
- Employee Related
  - £2,083k within People Directorate in relation to training contract from Budget Flexibility Reserve
- Supplies and Services
  - £750k in People Directorate for external complaints service from Budget Flexibility Reserve
  - £742k in Preparedness & Response (Operational Resilience) for Marauding Terrorist Attack equipment
  - £400k in Transformation Directorate reflecting in-year use of approved CRMP reserve drawdown
- Contingency
  - £293k in Training & Professional Development for re-allocating budgets from the Contingency to Other Staff areas.

## Summary – Key Performance Indicators (Aged Debt) Update (1/2)

The table below provides a summary of the key outstanding debtors, where action is required to ensure recovery of sums due to the LFC. The key debtors are presented as Lifts, where charges are raised against lift owners, and Other. The recovery of Lift invoices can be challenging as lift owners will not have requested the LFB's services, but rather someone in the lift.

The LFC does have other income due, but this is recovered in a specific manner under particular rules and processes and is therefore not covered by this regular debtor monitoring.

A revised debt recovery policy continues to be implemented, and with a review of old debts to be undertaken as resources allow.

Accounts Receivable work closely with invoice raising departments, providing monthly debtor reports, and to review and actively chase all outstanding debt over 28 days old, and will refer for legal action where appropriate to assist debts being recovered in a timely manner.

The total outstanding debt as at 31 March 2024 is £5,263k, with £2,647k (50% of the total outstanding) over 30 days old.

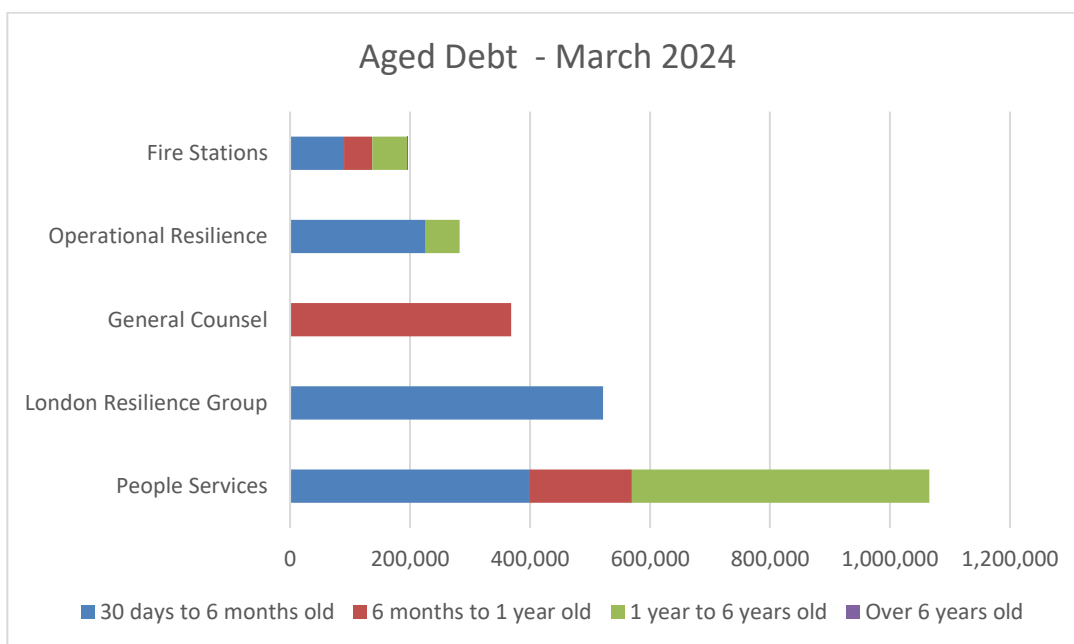
The table below shows the breakdown of this debt by age.

Amount Outstanding	Other	LIFTs	Grand Total
under 30 days	2,601,867	13,541	2,615,408
30 days to 6 months old	1,171,702	89,946	1,261,648
6 months to 1 year old	692,001	47,174	739,175
1 year to 6 years old	587,862	58,100	645,963
Over 6 years old	612		612
<b>Grand Total</b>	<b>5,054,044</b>	<b>208,762</b>	<b>5,262,806</b>

## Summary – Key Performance Indicators (Aged Debt) Update (2/2)

The tables below show the departments with the majority of the outstanding debts, over 30 days, are being managed.

Amount Outstanding (£)	30 days to 6 months old	6 months to 1 year old	1 year to 6 years old	Over 6 years old	Grand Total
People Services	398,379	171,261	495,930		1,065,570
London Resilience Group	521,654				521,654
General Counsel		368,627			368,627
Operational Resilience	225,830		56,819		282,649
Fire Stations	89,946	47,174	57,853	612	195,585
<b>Grand Total</b>	<b>1,235,810</b>	<b>587,062</b>	<b>610,601</b>	<b>612</b>	<b>2,434,085</b>



Where it becomes clear that a debt cannot be recovered it will be referred to the Finance Department. The circumstances of the outstanding debt and the action taken will then be reviewed and considered under the Brigade's write off policies and procedures as set out in the Brigade's financial regulations and Policies. All customers/third parties seeking assistance due to financial difficulties will be invited to provide details of their circumstances within a reasonable length of time for consideration by the Assistant Director, Finance.

## Summary – Climate Budget Reporting

The LFC is required to report on a quarterly basis to show progress on the agreed and funded projects set out in their Climate Budgeting commitments. This should be incorporated into quarterly reporting as a new standalone section ‘Climate budget reporting’.

Two KPIs should be included in this update, on *progress on implementing funded and unfunded climate budget measures*, providing a RAG rating on progress and a short explanatory narrative for the ratings reported.

The quarterly RAG status on the two KPIs for Q4 is provided below:

Overall assessment of progress against Climate Budget 23-24	Quarterly RAG rating
	Q4
Progress against funded climate measures	Green
Progress against unfunded climate measures	Red

### Funded climate measures - Green

The projects identified as part of the funded climate measures are progressing as planned and will be delivered in line with the 2024 delivery dates. The Solar PV at four sites is currently under review as LFB will be assessing the entire Solar PV assets and a potential project to increase and optimise the generation capacity.

### Unfunded climate measures - Red

Green Finance Funding for an electrical upgrade at 55 stations has been applied for and Salix funding is currently being explored for a further nine sites, however many projects remain unfunded. The LFC continues to explore all possible funding opportunities from Government and the GLA Green Finance funding sources.

### Future Reporting

These KPIs will be incorporated into the LFC’s quarterly performance report. However, for consistency on reporting they have been kept in the Q4 report

### **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. The report is a financial monitoring report detailing spend against revenue and capital budgets, and is for information only, therefore no direct legal implications arise.
4. It is submitted in accordance with Part 6 (Financial Regulations) of the London Fire Commissioner's Scheme of Governance which sets out detailed rules covering financial planning, monitoring, control, systems, procedures and insurance.
5. Specifically, this report fulfils the obligations of section 8 (g) of the Financial Regulations which stipulates, inter alia, that following consultation with the relevant Heads of Service, the Director of Corporate Services shall present budget monitoring reports to the relevant Board regularly.
6. In London, the Mayor appoints a London Fire Commissioner (LFC) under s327A of the Greater London Authority Act 1999 (GLAA), as corporation sole, who in addition to being the fire and rescue authority may have an operational role.
7. Section 327A(5) of the GLAA requires the LFC to secure that the London Fire Brigade is efficient and effective. The Mayor must hold the LFC to account for the exercise of the LFC's functions in accordance with Section 327A(8) of the GLAA.

### **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—
  - a) tackle prejudice, and
  - 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 2022/23 budget proposals.

Part two confidentiality

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

Is there a Part Two form:    ~~YES~~/NO\*

<p><b>ORIGINATING OFFICER DECLARATION:</b></p> <p>Drafting officer Lynne Samuel has drafted this report and confirms the following:</p> <p>Assistant Director/Head of Service Adrian Bloomfield has reviewed the documentation and is satisfied for it to be referred to Board for consideration.</p> <p>Advice The Finance and Legal teams have commented on this proposal;</p> <p>Thomas Davies Legal Advisor, on behalf of General Counsel (Head of Law and Monitoring Officer)</p>	<p>Drafting officer to confirm the following (✓)</p>
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Adrian Bloomfield Financial Advisor, on behalf of the Chief Finance Officer