



LONDON FIRE BRIGADE

Report title

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## Provisional Outturn Report for 2020/21

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Report to

Commissioner's Board

Date

Report by

Assistant Director, Finance

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### Executive Summary

This report presents the London Fire Commissioner's (LFC) financial outturn for the 2020/21 financial year, sets out the position on the financial reserves and provides an update to the approved capital programme.

The provisional outturn at the end of March is for an underspend of £9,369k, after the impact of the £5m in year funding reduction from the Mayor.

This demonstrates the significant progress to identify in year expenditure reductions to address the overspending position during the year and reduce the impact on reserve. This includes the successful application to the Home Office to meet Covid-19 costs.

### Recommended decisions

That the London Fire Commissioner:

1. Notes the revenue and capital financial outturn position as set out in the report.
2. Agrees the transfer into earmarked reserve of a total of £1,846k set out from paragraph 41 of this report, including £1,000k into the compensation earmarked reserve to allow this reserve to be maintained at its previous level to meet any additional spend on costs in future year.
3. Agrees the carry forward of the net capital budget slippage of £1,869k to 2021/22, as detailed from paragraph 46 below.
4. Agrees the proposed movements in reserves as set out at Table 3.

### Background

1. This report presents the provisional outturn position for 2020/21, setting out the position on the financial reserves and provides an update to the approved capital programme. The draft Statement of Accounts will be approved by the Chief Finance Officer (Director of Corporate Services) by 30 June 2021, and will then be subject to external audit, with final audited accounts to be approved by the London Fire Commissioner (LFC) and published by 30 September 2021.

The provisional outturn position will be reviewed on completion of the audit, and any revisions required published alongside the Statement of Accounts.

2. The 2020/21 financial year has been exceptional for the LFC due to a range of issues, including the Covid-19 pandemic, the Brigade's ongoing transformation agenda and the successful bid into to central government for grant funding. These have resulted in a dynamic financial position which has been difficult to forecast, with cost pressures changing during the year and significant additional funding identified in the last quarter alone.
3. The impact of Covid-19 was the main factor in the Brigade's forecast overspend of £10.1m as at the end of Q1. This forecast reflected a rapidly increasing spend against the Covid-19 pandemic, in terms of equipment, services and overtime costs. As a result of this and the notification from the Mayor that the LFC would need to identify in year savings, cost control measures were identified and put in place where possible. The financial issues were also clearly communicated to all staff which helped introduce an organisational focus on cost avoidance/reduction. These actions were taken to address the potential £20m overspending position, after reflecting the initial in-year funding reductions of £10m.
4. The ongoing impact of Covid-19 became difficult to forecast accurately as the situation developed and lockdowns were put in place and then lifted. Each lockdown has impacted the Brigade's planned spending including the most recent national lockdown that started at the beginning of the fourth quarter.
5. The LFC has also generated very significant levels of additional income from the position set out in its 2021/22 budget report, which could not be foreseen when that budget was set. These include additional Fire Safety grants of £5.7m following prolonged lobbying, grants for Covid-19 expenditure and cost recovery from the London Ambulance Service. The significant majority of this was only identified, or in the case of the Fire Safety grants guidance only received on how this could be used, in the last quarter of the 2020/21 financial year.
6. In summary the good progress made in addressing the overspending position through the year resulted in the forecast reducing from £10.1m at Q1 to £3.5m at Q3. The overall position was further improved by the reduction in the in year savings requirement set by the Mayor from £10m to £5m. The confirmation late in the financial year that significant additional funding would be received from central government has now resulted in an overall underspend position for the year.

### **Tables and Appendices to this report**

7. A number of appendices provide additional detail on the financial position, as follows:
  - Appendix 1 provides a summary of the outturn financial position for the revenue budget;
  - Appendix 2 contains additional detail on the outturn financial position;
  - Appendix 3 reports on the outturn on the capital programme;
  - Appendix 4 provides an analysis of outstanding debt relating to charges for Shut in Lift attendances;
  - Appendix 5 meets the requirement to disclose all budget virements within the quarter under the LFC Scheme of Governance.

### **Revenue**

8. The provisional outturn position for 2020/21 on the revenue budget is an underspend of £9,369k (2.1%) after the impact of the £5m in year funding reduction from the Mayor due to the impact of Covid-19.

9. The provisional outturn position at the end of March excluding the in year funding reduction would be for an underspend of £14,369k, a decrease of £17,430k from the forecast position reported at the end of December 2020 (LFC -0478). The position at outturn results from the significant progress made to identify in year expenditure reductions, as well as in securing additional funding in year, to address the forecast overspending position, and so reducing the impact on reserves allowing balances to be maintained at increased levels.
10. The revenue outturn includes the following additional underspends since last reported to LFC as at the end of December 2020 (LFC-0478):
- £5,322k additional grant income following the successful application to the Home Office on Covid-19 costs. This additional grant income significantly exceeded expectations, and was well in excess of the £252k received following the first round Covid-19 application.
  - £2,015k additional income for cost recovery of Ambulance Driver Assistance (ADA) to the London Ambulance Service as part of our Covid-19 response, in the last quarter of the year. This income offsets costs incurred by operational staff on overtime and allowances, although the increase on ADA costs is offset by reductions in other overtime as part of a Brigade initiative to address underlying requirements for overtime, as well as the impact of timing differences between overtime being worked and claims being submitted and paid.
  - £3,092k (1% of budget) reduction from the forecast overspend on the budget for operational staff due to operational staff vacancies. The Operational staff budget included a budgeted vacancy margin of £1.6m based on expected average vacancies of 30, at end of March 2021, the average vacancy level was 56.
  - A further movement of £1,327k on FRS staff budgets increasing the underspend to £3,397k. This reflects the impact of enhanced recruitment controls in 2020/21, as well as ongoing challenges in recruiting during the pandemic.
  - £1,730k on a number of budget lines with an overall reduction in spend due to the Covid-19 pandemic including spend on ICT including Communications and Hardware and Software (£635k), on professional services mainly on ICT related spend (£655k), on smoke alarms because of limited home visits (£230k), on general office expenses (£210k) and on catering (£81k).
  - £1,069k on building maintenance due to a reduction in overall spend on Mechanical, Electrical and Plumbing planned works due to the impact of the Covid-19 pandemic, and KPI performance deductions throughout the year (£280k).
  - £715k on professional development on firefighter apprenticeships due to a change to the payment schedule from the Brigade's apprenticeship levy account to the contract provider, reducing the cost of the contract, as well as reduced spend on the End Point Assessments (EPAs).
  - £550k savings achieved in year through changes to staff structures from department initiated changes which can impact on the numbers of staff, also the grading of posts.

- £413k on compensation budgets with the position on claims developing through the year, including cases in which the Counsel costs will now fall in 2021/22. It is proposed to transfer £1,000k into the compensation earmarked reserve to allow the reserve to be maintained at its existing level to meet any additional compensation costs in future years.

11. The key variances are explained in more detail from paragraph 15 below.

### 2021/22 Budget process

12. As part of the 2021/22 budget process, a review of previous years underspends was carried out to identify underspending areas in 2020/21 that could be taken as a saving in 2021/22.

**Table 1. Summary Financial Position**

	Revised Budget	Outturn	Outturn Variance	Forecast Outturn Variance at Qtr. 3	Movement between variance figures
	£000s	£000s	£000s	£000s	£000s
Operational staff	278,364	281,657	3,293	6,315	(3,022)
Other staff	64,099	60,862	(3,237)	(2,096)	(1,141)
Employee related	24,526	24,016	(510)	275	(785)
Pensions	21,321	21,162	(159)	(155)	(4)
Premises	39,550	39,823	274	1,470	(1,196)
Transport	16,972	16,724	(248)	19	(267)
Supplies and services	28,661	32,395	3,735	5,430	(1,695)
Third party payments	1,800	1,957	157	134	23
Capital financing costs	8,050	8,553	503	503	(0)
Central contingency against inflation	178	0	(178)	372	(551)
<b>Total revenue expenditure</b>	<b>483,521</b>	<b>487,151</b>	<b>3,630</b>	<b>12,267</b>	<b>(8,637)</b>
Other income	(42,116)	(52,539)	(10,422)	(7,509)	(2,913)
<b>Net revenue expenditure</b>	<b>441,405</b>	<b>434,612</b>	<b>(6,793)</b>	<b>4,758</b>	<b>(11,550)</b>
Use of General Reserves	(20,319)	(20,319)	0	0	0
Use of earmarked reserves	21,744	21,744	0	35	(35)
<b>Financing Requirement</b>	<b>442,829</b>	<b>436,037</b>	<b>(6,793)</b>	<b>4,793</b>	<b>(11,585)</b>
Financed by:					
Specific grants	(41,329)	(48,905)	(7,576)	(1,731)	(5,845)
GLA funding	(401,500)	(401,500)	0	0	0
<b>Net Financial Position</b>	<b>0</b>	<b>(14,369)</b>	<b>(14,369)</b>	<b>3,061</b>	<b>(17,430)</b>

### Capital

13. The capital outturn for 2020/21 is £19,156k. This is a reduction of £1,815k from the position reported as at the end of Q3 of £20,971k (LFC-0478). This is mainly due to budget re-phasing to 2021/22 of £3,076k, offset by budgets brought forward from 2021/22 of £1,207k.

14. The key variances are explained in more detail from paragraph 46 and in Appendix 3.

## Reasons for the Revenue Position

### Staff

15. The budget for operational staff is overspent at £2,775k, a decrease of £3,092k (1% of the operational staff budget) in the overspend on the budget for operational staff since last reported at the end of December. The Operational staff budget included a budgeted average vacancy margin of 30 at the start of the year, and at the end of March 2021 the average vacancy level was 56.
16. The overspend of £2,775k is primarily due to additional costs on operational pre arranged overtime. After accounting for additional LAS income received in the last quarter this would reduce the underlying overspend on staff costs by £2,015k, which reflects the successful Brigade initiative to address underlying requirements for overtime, as well as the impact of timing differences between overtime being worked and claims being submitted and paid.
17. FRS staff budgets underspent by £3,397k (5.8% of the FRS budget). This reflects the further impact of enhanced recruitment controls in 2020/21 and continuing challenges in recruiting during the pandemic. There have been particular challenges in recruiting and retaining Fire Safety Inspecting Officers with staff costs here underspending by £2,326k. At the end of March, there were 202 vacancies and 73 agency staff. This is however slightly offset by an overspend on Control staff budgets with an additional £160k on overtime.

### Insurance Related

18. As previously reported at the end of September (LFC- 0426), insurance related budgets were under pressure due to a substantial increase in renewal premiums as a result of the claims experience on Grenfell. This was addressed by a procurement process to identify alternative options for fleet and liability covers, which allowed the increase that would have been required by the renewal premiums of £2,000k to be reduced to £520k.

### Employee Related

19. There is an underspend of £1,537k on Professional Development budgets, an increase of £700k since last reported at the end of December. This is following reduced costs on firefighter apprenticeships due to a change to the payment schedule from the Brigade's apprenticeship levy account to the contract provider, reducing the cost of the contract, as well as reduced spend on the End Point Assessments (EPAs).
20. As previously reported the balance of the underspend, of £1,376k, relates to the delay in the implementation of the independent review of training due to Covid-19, as well as the decision to keep design and production with the training provider, Babcock, because of their capability to invest funds and undertake design and development trials. Retaining this service with Babcock was necessary as it became evident that virtual technology training solutions will be required going forward. This underspending is offset by additional Covid-19 related spend for cancelled training courses and other training related costs (£744k).
21. The overspend on compensation budgets of £440k relating to personal injury claims, includes funding of £1,000k from the compensation reserve, in place to smooth the impact of compensation claims in any one year. It is proposed to transfer £1,000k from the general reserve to allow the earmarked reserve to be maintained at a level of £1m to be applied to any overspend on compensation costs in future years.

22. The budgets for medical and welfare expenses underspent by £255k, an increase of £59k since last reported at the end of December, due to lower childcare claims and fewer medical appeals.

### **Firefighter Pensions**

23. The Firefighter pensions budget includes expenditure on injury pensions, ill health top ups and sanction charges. There is an outturn underspend of £250k on injury pensions with a reduction in overall injury pensioner numbers as well as following medical reviews, offset by a £92k increase in pension sanction charges due to higher numbers of operational staff leavers commuting their pension lump sum above the HMRC limits.

### **Premises**

24. There is an outturn overspend of £91k on Premises budgets, a decrease of £1,378k since last reported at the end of December mainly on building maintenance due to a reduction in overall spend on Mechanical, Electrical and Plumbing planned works as a result of the Covid-19 pandemic, and KPI performance deductions throughout the year (£280k).
25. The previously reported forecast overspend was primarily driven by increased spending on Cleaning and Domestic Supplies (£2,217k), relating to additional cleaning at LFB Properties as part of the Covid-19 response, including £1,196k on the extension of this through the second wave of the pandemic.

### **Transport**

26. As previously reported, there is an outturn overspend on the vehicle and equipment contract of £326k due to the costs of parallel running new aerials with more complex training required than originally envisaged along with the challenges presented by Covid-19, as well as lower levels of abatements on the contract than prior years due to Babcock's improving performance. There is an inflationary increase of £334k incorporated in the 2021/22 budget. There is also an outturn overspend on vehicle passthroughs of £40k due to increase in spend on accidents due to damage caused by a recent accident.
27. Transport budgets have overspent on Travel (£433k) mainly due to Covid-19 related spend for Ultra Low Emission Zone (ULEZ) and congestion charge expenses, mileage costs for volunteers supporting the London Ambulance Service (LAS) (matched by cost recovery) and travel to Covid-19 tests.
28. The above overspends are offset by £999k underspending on running costs due a reduction in home visits due to the Covid-19 pandemic (636k) and BP free fuel for emergency services.

### **Supplies and Services**

29. There is an outturn overspend of £3,735k on Supplies and Services budgets, a decrease of £1,695k since last reported at the end of December. This includes reductions on Professional Services (£655k) mainly on ICT related spend, on ICT Communications and Hardware and Software (£635k), on smoke alarms due to limited home visits (£230k), on general office expenses (£210k) and on catering (£81k). These expenditure areas have continued to be impacted by the pandemic.
30. As previously reported, the rest of the overspends are mainly on:

Operational Equipment (£1,588k), for direct orders of additional Personal Protective Equipment (PPE), including additional Face Masks and HML costs due to Covid-19;

Professional Services (£1,693k), mainly on the Grenfell Tower Investigation legal costs, offset by £361k for the HR and Payroll System which is delayed due to Covid-19, and is planned to be transferred to an earmarked reserve at year end;

Staff Reimbursements (£275k), on expenses for Ambulance Driver Assist (ADA) and Pandemic Multi Agency Response Teams (PMART) volunteers.

## **Income**

31. The outturn over recovery of income is £10,422k an increase of £2,913k since last reported at the end of December due to £2,015k additional income for cost recovery on operational overtime and allowances for ADA as part of our Covid-19 response, to reflect the further agreement in place from January to continue support with the LAS, and £755k additional fire safety protection grant income applied to relevant costs this year.
32. As previously reported, the remainder of the over recovery relates to income from insurers in respect of Grenfell Tower Investigation (£2,425k) which offsets spend on professional services and hardware and software costs relating to Grenfell and additional income for cost recovery on operational overtime and allowances for ADA as part of our Covid-19 response.
33. Appendix 4 includes an update on the position on the key outstanding charges, relating to Shut in Lift debt.

## **Specific grant**

34. There is an over recovery on specific grants of £7,576k an increase of £5,845k since last reported mainly due to additional grant income following the successful application to the Home Office to meet Covid-19 costs. This additional funding followed a second round of claims to the Home Office, and saw costs recovery provided well in excess of the level from the first round of £252k. The additional grant not only met in full the residual balance on the cost of the Brigade's response to Covid-19, of £3.5m, but also provided additional funding at £2m for any further Covid-19 response costs.
35. As previously reported £1,760k relates to grant income from the GLA to partly offset costs of the response to Covid-19 pandemic.
36. The Brigade also received additional funding in 2020/21 for Fire Safety/Protection at £5.7m, which can be applied to relevant costs in the current and future financial years. £0.8m has been applied this year to meet spend and the balance of £4.9m transferred into an earmarked reserve to meet additional spend on costs in future years.

## **Covid-19**

37. The total cost of LFC's response to the Covid-19 pandemic was £12,521k for 2020/21 and is offset by funding from the GLA of £1,760k and £160k for the London Resilience Group, additional income for cost recovery from the LAS of £6,835k on operational overtime, allowances and travel for ADA support, £252k in a grant from the Home Office following the Brigades claim against the first round of COVID grants and a further grant from the Home Office to meet the remaining £3,514k in cost.
38. The Home Office final grant award also provided an additional £1,968k in funding for any further Covid-19 response costs in 2021/22, which this report recommends is placed into a new earmarked reserve

## Reserves

39. The table below sets out the position on the financial reserves, resulting from the financial position reported above.
40. A total of £7,116k additional grant income has been transferred into earmarked reserve to meet costs in future year including Fire Safety Protection Uplift grant income (£4,593k), Covid-19 grant income (£1,968k), pensions grant income (£425k) and sponsorship income for the Museum (£129k).
41. It is proposed to transfer £1,846k from the general reserve to earmarked reserves including £1,000k into the compensation reserve to allow this to be maintained at the existing level to meet any additional costs in future years, £237k for Emergency Services Mobile Communication Programme (ESMCP), £88k to fund the Museum Project and £10k for unspent funds for Fire Boat Project required to meet costs in 2021/22. As previously reported, the underspend on Other Property Services of £150k, and £361k on professional service for the HR and Payroll System delayed due to Covid-19 will also be transferred into earmarked reserve.
42. The balance on the general reserve, following the provisional outturn position of £14,369k is at the minimum reserve position of 3.5% of the net revenue expenditure. This is after moving the balance of £15,495k from the general reserve to supplement the budget flexibility reserve. This can then be considered as part of the budget process for 2022/23.

**Table 2. Position on Reserves**

£000s	Opening Balance at 01/04/20	Approved Movements in 2020/21	Use of Reserves	Closing Balance at 31/03/21	Propose transfer from General Reserves	Propose Use of Reserves
Additional Resilience Requirements	568		(44)	524		
Capital Expenditure Reserve	11,745			11,745		
Central Programme Office	645		184	829		
In Year Savings Reserve	0	5,000		5,000		
Compensation	676	324	(1,000)	0	1,000	
Emergency Services Mobile Communication Programme	2,172	(1,000)	(328)	844	237	
Pensions Earmarked Reserve	0	425		425		
Covid	0	1,968	(0)	1,968		
Emergency Medical Response	294			294		
Fire Safety and Youth Engagement	1,007	4,593	(672)	4,929	10	
Transformation Reserve	0	7,700	(1,422)	6,278		(1,889)
Grenfell Infrastructure Reserve	0	1,306	(95)	1,210		
Hydrants	462			462		
ICT Development Reserve	1,953		(31)	1,922	361	
LFC Control Centre	729			729		
LFB Museum Project	201	129	(46)	284	88	
London Resilience	771			771		
London Safety Plan Initiatives	3,162		(446)	2,716		
Organisational Reviews	327		(239)	89	150	
Recruitment/ Outreach	250			250		
Sustainability	235			235		
Vehicle & Equipment Reserve	2,697		(112)	2,585		
Budget Flexibility	29,930	15,495	(9,946)	35,480		
General	21,399	(20,319)	14,369	15,449		
<b>Total</b>	<b>79,224</b>	<b>15,621</b>	<b>172</b>	<b>95,018</b>	<b>1,846</b>	<b>(1,889)</b>

43. The use of reserves includes £1,422k to fund delivery of the Transformation Delivery Plan, with this draw being less than the £3,500k originally planned but with the balance remaining in the reserve for use in future years. Other use of reserves included £1,000k from the Compensation reserve to fund personal injury claims and contribution towards costs and damages, a draw of £446k for London Safety Plan initiatives and £672k to fund Fire Safety and Youth Engagement.

44. The movement on the reserves was included as part of the 2020/21 Budget Report, and the movements set out at Table 3 below are compared to the original forecast. This shows the anticipated balance on reserves at 31st March 2021 presented in the 2020/21 Final Budget, and the revised balance included in this report. The balance in reserves has increased from £79,224k to £95,018k, an increase of £15,793k mainly as a result of additional grant income transferred into earmarked reserves.

**Table 3. Movement in Reserves**

£000s	Balance March2020	Balance March 2021	<b>Movement</b>	Comments
Additional Resilience Requirements	568	524	<b>(44)</b>	£44k draw to meet spend on replacement project equipment.
Capital Expenditure Reserve	11,745	11,745	<b>0</b>	
Central Programme Office (CPO)	645	829	<b>184</b>	Unspent balance from CPO funds moved back to reserve.
In Year Savings Reserve	0	5,000	<b>5,000</b>	£5m in year funding reduction.
Compensation	676	0	<b>(676)</b>	Compensation reserve to fund personal injury claims and contribution towards costs and damages,
Emergency Services Mobile Communication Programme	2,172	844	<b>(1,328)</b>	Include approved draw £1,000k to supplement 2020/21 budget and £328k to meet staff spend.
Pensions Earmarked Reserve		425	<b>425</b>	Pension income grant earmarked for future use.
Covid	0	1,968	<b>1,968</b>	Covid income grant earmarked for future use.
Emergency Medical Response	294	294	<b>0</b>	
Fire Safety and Youth Engagement	1,007	4,929	<b>3,921</b>	Include £4,954k Fire Safety Protection grant earmarked for future use.
Transformation Reserve	0	6,278	<b>6,278</b>	£1,422k of the Transformation Reserve of £7,700k used to meet costs in 2020/21.
Grenfell Infrastructure Reserve	0	1,210	<b>1,210</b>	£95k of Grenfell Infrastructure has been utilised in 2020/21
Hydrants	462	462	<b>0</b>	
ICT Development Reserve	1,953	1,922	<b>(31)</b>	£31k to meet staff spend in 2020/21.
LFC Control Centre	729	729	<b>0</b>	
LFB Museum Project	201	284	<b>83</b>	Spend on professional service.
London Resilience	771	771	<b>0</b>	
London Safety Plan Initiatives	3,162	2,716	<b>(446)</b>	Costs to meet London Safety Plan initiatives mainly on staffing.
Organisational Reviews	327	89	<b>(239)</b>	Costs to meet organisational reviews mainly on staffing.
Recruitment/ Outreach	250	250	<b>0</b>	
Sustainability	235	235	<b>0</b>	
Vehicle & Equipment Reserve	2,697	2,585	<b>(112)</b>	Spend on zero emission project (ZEPA) to meet staff and other costs.
Budget Flexibility	29,930	35,480	<b>5,549</b>	Net impact of transfer from the general reserve.
General	21,399	15,449	<b>(5,950)</b>	
<b>Total</b>	<b>79,224</b>	<b>95,018</b>	<b>15,793</b>	

## Capital Programme

46. The capital outturn for 2020/21 is £19,156k, which is a reduction of £1,815k compared to the position reported at Quarter 3, £20,971k (LFC-0478). The main changes in the programme are outlined below.

• Budget slippage to 2021/22	(£3,076k)
• Budgets brought forward from 2021/22	£1,207k
• Other movements	£54k
<b>Total</b>	<b>(£1,815k)</b>

47. The budget slippage of £3,076k to 2021/22 includes ICT support for Flexible Working for Staff at Union Street HQ (£648k); and Property projects on Roofing Replacement (£497k), Chelsea and Clapham Fire Station Accommodation Improvements (£391k), Minor Improvements Programme at Stations (£281k), Window Replacement (£218k) and Appliance Bay Doors (£61k). Within Fleet projects, £592k of budget has slipped on the Fire Boat project and £215k in Fleet equipment.

48. The budgets brought forward from 2021/22 of £1,207k primarily relates to the early purchase and delivery of six Fire Rescue Units within Fleet (£752k).

49. The other movements include disposal costs of £138k which will be offset against capital receipts when the sale of assets has been completed, overspends of £51k relating to the Wireless Access Points project (£37k) along with on the West Hampstead Cottages refurbishment (£14k), and unspent capital budget mainly relating to a lower than anticipated cost for the Operational Support Centre (£121k).

50. The changes from the Q3 position are summarised by department in Table 4 below, and a more detailed explanation of the changes is provided in Appendix 3

51. Capital Receipts which have been applied in 2020/21 total £3,776k including the sale of St Columba Mast (£850k) and Fleet Vehicles and Equipment (£382k), with £1,304k carried forward from 2019/20.

**Table 4. Capital Budget Changes by Department**

	Q3 Forecast £000s	Outturn 2020/21 £000s	Variance £000s	Over / Unspent Budget £000s	Slippage to/ from later years £000s	New Budget £000s
ICT	1,621	996	(625)	23	(648)	0
Property	7,206	5,931	(1,275)	(107)	(1,168)	0
Communications	119	176	57	0	57	0
Fleet	12,025	11,915	(110)	0	(110)	0
Operational Policy	0	0	0	0	0	0
Disposal costs	0	138	138	0	0	138
<b>Capital Programme</b>	<b>20,971</b>	<b>19,156</b>	<b>(1,815)</b>	<b>(84)</b>	<b>(1,869)</b>	<b>138</b>

## **Debtors**

52. An analysis of debtors relating to Shut in Lifts charges is provided in Appendix 5. This includes a chart to show the amount of outstanding SiL debts over the last 12 months, with £198k outstanding at the end of March 2021, with 18% of this under 30 days old. Overdue invoices are reviewed, and action taken as necessary to address outstanding balances. Debts continue to be monitored to determine appropriate actions to manage outstanding balances, but it does however continue to be a challenging process to recover a number of these debts.

## **Finance comments**

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

## **Workforce comments**

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

## **Legal comments**

55. The report is a financial update submitted in accordance with Part 6 (Financial Regulations) of the London Fire Commissioner's ("LFC") Scheme of Governance which sets out detailed rules covering financial planning, monitoring and control.

56. This report fulfils the obligations set out in paragraph 8 and 9 of the Financial Regulations which stipulates that appropriate financial information must be provided to enable budgets be monitored effectively, and that all virements (transfers of budget) of revenue budget that had not been committed be reported as part of the quarterly financial position report.

57. The Director of Corporate Services has responsibility for the administration of the LFC's financial affairs under section 127 of the Greater London Authority Act 1999, and is required to ensure arrangements for all financial and accounting matters, the security of money, and other assets are economic, efficient and effective.

## **Sustainability implications**

58. There are no direct sustainable implications.

## **Equalities implications**

59. 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.

60. 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.

61. 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.

62. The Public Sector Equality Duty requires us, in the exercise of all our functions (i.e. everything we do), 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.
63. 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.
64. 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.
65. 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.
66. 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 2020/21 budget proposals.

## List of Appendices

Appendix	Title	Protective Marking
1.	Summary Financial Position	Not protectively marked
2.	Detailed Financial Position	Not protectively marked
3.	Capital Programme	Not protectively marked
4.	Outstanding Lift debtors	Not protectively marked
5.	Scheme of Governance	Not protectively marked

## Consultation

Name/role	Method consulted
Heads of Department	Departmental finance returns

## Summary Financial Position

## Appendix 1

	Revised Budget	Outturn	Outturn Variance	Forecast Outturn Variance at Qtr. 3	Movement between variance figures
	£000s	£000s	£000s	£000s	£000s
Operational staff	278,364	281,657	3,293	6,315	(3,022)
Other staff	64,099	60,862	(3,237)	(2,096)	(1,141)
Employee related	24,526	24,016	(510)	275	(785)
Pensions	21,321	21,162	(159)	(155)	(4)
Premises	39,550	39,823	274	1,470	(1,196)
Transport	16,972	16,724	(248)	19	(267)
Supplies and services	28,661	32,395	3,735	5,430	(1,695)
Third party payments	1,800	1,957	157	134	23
Capital financing costs	8,050	8,553	503	503	(0)
Central contingency against inflation	178	0	(178)	372	(551)
<b>Total revenue expenditure</b>	<b>483,521</b>	<b>487,151</b>	<b>3,630</b>	<b>12,267</b>	<b>(8,637)</b>
Other income	(42,116)	(52,539)	(10,422)	(7,509)	(2,913)
<b>Net revenue expenditure</b>	<b>441,405</b>	<b>434,612</b>	<b>(6,793)</b>	<b>4,758</b>	<b>(11,550)</b>
Use of General Reserves	(20,319)	(20,319)	0	0	0
Use of earmarked reserves	21,744	21,744	0	35	(35)
<b>Financing Requirement</b>	<b>442,829</b>	<b>436,037</b>	<b>(6,793)</b>	<b>4,793</b>	<b>(11,585)</b>
Financed by:					
Specific grants	(41,329)	(48,905)	(7,576)	(1,731)	(5,845)
GLA funding	(401,500)	(401,500)	0	0	0
<b>Net Financial Position</b>	<b>0</b>	<b>(14,369)</b>	<b>(14,369)</b>	<b>3,061</b>	<b>(17,430)</b>

## Detailed Financial Position

## Appendix 2

	Revised Budget	Outturn	Outturn Variance		Forecast Outturn Variance at Qtr.3	Movement between previous and outturn variance
	£	£	£	%	£	£
Operational Staff	276,198,963	278,973,768	2,774,805	1.0%	5,867,190	(3,092,385)
Trainee Firefighters	2,165,402	2,683,545	518,143	23.9%	447,560	70,583
<b>Total Operational Staff</b>	<b>278,364,365</b>	<b>281,657,314</b>	<b>3,292,948</b>	<b>1.2%</b>	<b>6,314,750</b>	<b>(3,021,802)</b>
FRS Staff	58,532,008	55,134,887	(3,397,121)	(5.8%)	(2,069,675)	(1,327,446)
Control Staff	5,567,340	5,727,418	160,078	2.9%	(26,218)	186,296
<b>Total Other Staff</b>	<b>64,099,348</b>	<b>60,862,305</b>	<b>(3,237,042)</b>	<b>(5.1%)</b>	<b>(2,095,892)</b>	<b>(1,141,150)</b>
Other Pension Payments	850,000	1,021,428	171,428	20.2%	0	171,428
Severance	0	298,483	298,483	0.0%	0	298,483
Professional Development	19,662,507	18,111,191	(1,551,316)	(7.9%)	(836,429)	(714,888)
Recruitment	146,399	30,007	(116,391)	(79.5%)	(53,234)	(63,157)
Employee Related Insurance	304,020	806,364	502,344	165.2%	507,049	(4,705)
Compensation	1,555,814	1,996,074	440,260	28.3%	852,931	(412,671)
Medical and Welfare Expenses	2,007,081	1,752,494	(254,587)	(12.7%)	(195,381)	(59,206)
<b>Total Employee Related</b>	<b>24,525,820</b>	<b>24,016,041</b>	<b>(509,779)</b>	<b>(2.1%)</b>	<b>274,936</b>	<b>(784,715)</b>
Firefighter Pension Scheme	21,320,692	21,162,159	(158,533)	(0.7%)	(155,000)	(3,533)
Building Maintenance	9,403,556	8,541,742	(861,814)	(9.2%)	(40,000)	(821,814)
Grounds Maintenance	120,984	57,397	(63,587)	(52.6%)	0	(63,587)
Premises Security	670,271	457,990	(212,281)	(31.7%)	785	(213,066)
Energy Costs	2,463,430	2,320,614	(142,816)	(5.8%)	(376,000)	233,184
Rents	8,456,587	8,391,593	(64,993)	(0.8%)	4,662	(69,655)
Property PFI Contract	5,680,104	5,708,563	28,459	0.5%	0	28,459
Property Rates	7,638,967	7,269,265	(369,701)	(4.8%)	(242,333)	(127,368)
Water & Sewerage Rates	279,117	264,706	(14,410)	(5.2%)	0	(14,410)
Fixtures & Fittings	87,969	68,644	(19,325)	(22.0%)	(1)	(19,324)
Cleaning and Domestic Supplies	2,123,597	4,467,353	2,343,756	110.4%	2,272,166	71,590

## Detailed Financial Position

## Appendix 2

	Revised Budget	Outturn	Outturn Variance		Forecast Outturn Variance at Qtr.3	Movement between previous and outturn variance
	£	£	£	%	£	£
Premises Insurance	331,016	298,370	(32,646)	(9.9%)	(7,292)	(25,354)
Other Property Services	2,294,207	1,977,208	(316,999)	(13.8%)	(141,992)	(175,007)
<b>Total Premises</b>	<b>39,549,804</b>	<b>39,823,445</b>	<b>273,642</b>	<b>0.7%</b>	<b>1,469,995</b>	<b>(1,196,353)</b>
Running Costs	2,551,555	1,583,846	(967,709)	(37.9%)	(728,771)	(238,938)
Vehicle and Equipment Contract	11,707,180	12,033,822	326,642	2.8%	254,322	72,320
Vehicle Passthroughs	592,984	632,933	39,949	6.7%	121,452	(81,503)
Maintenance and Repairs	0	0	0	0.0%	0	0
Contract Hire & Operating Leases	1,266,014	1,186,176	(79,838)	(6.3%)	(30,855)	(48,983)
Travel	853,844	1,286,954	433,110	50.7%	402,637	30,473
<b>Total Transport</b>	<b>16,971,576</b>	<b>16,723,731</b>	<b>(247,845)</b>	<b>(1.5%)</b>	<b>18,786</b>	<b>(266,631)</b>
Hydrants	420,004	857,362	437,358	104.1%	4,996	432,362
Operational Equipment	1,504,294	3,092,441	1,588,147	105.6%	1,548,548	39,600
Smoke Alarms	586,638	301,225	(285,413)	(48.7%)	(55,069)	(230,344)
Equipment Furniture and Materials	403,235	517,884	114,649	28.4%	153,442	(38,793)
Lost & NFWT Operational Equipment	122,448	74,245	(48,203)	(39.4%)	56,000	(104,203)
Catering	312,562	159,213	(153,349)	(49.1%)	(71,721)	(81,628)
Clothing & Laundry	3,437,897	3,310,497	(127,400)	(3.7%)	82,278	(209,678)
General Office Expenses	581,807	349,728	(232,079)	(39.9%)	(59,112)	(172,967)
Professional Services	9,255,873	10,948,490	1,692,618	18.3%	2,347,300	(654,682)
Postal Services	61,126	48,505	(12,621)	(20.6%)	6	(12,627)
Communications	4,327,118	4,106,866	(220,252)	(5.1%)	102,000	(322,252)
Hardware and Software	6,716,401	7,083,334	366,933	5.5%	679,673	(312,740)
Staff Reimbursements	241,809	516,679	274,869	113.7%	236,861	38,008
Grants and Subscriptions	279,617	271,391	(8,226)	(2.9%)	775	(9,001)
Other Insurance	257,000	675,094	418,094	162.7%	396,107	21,987
Advertising	107,541	63,713	(43,828)	(40.8%)	5,430	(49,258)
Other Supplies and Services	45,170	18,793	(26,377)	(58.4%)	2,299	(28,676)
<b>Total Supplies and Services</b>	<b>28,660,539</b>	<b>32,395,460</b>	<b>3,734,921</b>	<b>13.0%</b>	<b>5,429,811</b>	<b>(1,694,891)</b>

## Detailed Financial Position

## Appendix 2

	Revised Budget	Outturn	Outturn Variance		Forecast Outturn Variance at Qtr.3	Movement between previous and outturn variance
	£	£	£	%	£	£
Other Agencies	396,134	341,832	(54,302)	(13.7%)	11,301	(65,603)
Other Local Authorities	1,315,741	1,527,148	211,407	16.1%	82,328	129,079
Audit & Bank Charges	88,600	88,319	(281)	(0.3%)	40,322	(40,603)
<b>Total Third Party Payments</b>	<b>1,800,475</b>	<b>1,957,299</b>	<b>156,824</b>	<b>8.7%</b>	<b>133,951</b>	<b>22,873</b>
Debt Repayment	5,817,000	5,817,803	803	0.0%	1,000	(197)
External Interest	2,233,000	2,735,145	502,145	22.5%	502,430	(285)
<b>Total Capital Financing Costs</b>	<b>8,050,000</b>	<b>8,552,948</b>	<b>502,948</b>	<b>6.2%</b>	<b>503,430</b>	<b>(482)</b>
Budget for Non Staff Inflation	0	0	0	0.0%	0	0
Central Contingency	55,439	0	(55,439)	(100.0%)	(55,439)	(0)
Savings to Be Achieved	(278,991)	0	278,991	(100.0%)	614,438	(335,446)
Savings done by DA	401,918	0	(401,918)	(100.0%)	(186,775)	(215,143)
Contingency	178,366	0	(178,366)	(100.0%)	372,224	(550,590)
<b>Total revenue expenditure</b>	<b>483,520,986</b>	<b>487,150,702</b>	<b>3,629,717</b>	<b>0.8%</b>	<b>12,266,991</b>	<b>(8,637,274)</b>
MFB Act Income	(30,633,319)	(30,506,486)	126,833	(0.4%)	166,028	(39,195)
Customer and Client Receipts	(10,683,025)	(21,581,700)	(10,898,675)	102.0%	(7,873,221)	(3,025,454)
Interest Receivable	(800,000)	(450,491)	349,509	(43.7%)	198,000	151,509
Bad Debts	0	0	0	0.0%	0	0
<b>Total Other Income</b>	<b>(42,116,344)</b>	<b>(52,538,677)</b>	<b>(10,422,333)</b>	<b>24.7%</b>	<b>(7,509,193)</b>	<b>(2,913,141)</b>
<b>Net revenue expenditure</b>	<b>441,404,642</b>	<b>434,612,026</b>	<b>(6,792,616)</b>	<b>(1.5%)</b>	<b>4,757,799</b>	<b>(11,550,415)</b>
Use of General Reserves	(20,319,000)	(20,319,000)	0	0.0%	0	0
Use of Earmarked Reserves	21,743,633	21,743,633	0	0.0%	34,711	(34,711)
<b>Financing Requirement</b>	<b>442,829,276</b>	<b>436,036,659</b>	<b>(6,792,616)</b>	<b>(1.5%)</b>	<b>4,792,510</b>	<b>(11,585,126)</b>

## Detailed Financial Position

## Appendix 2

	Revised Budget	Outturn	Outturn Variance		Forecast Outturn Variance at Qtr.3	Movement between previous and outturn variance
	£	£	£	%	£	£
Financed by:						
Specific grants	(41,329,275)	(48,905,341)	(7,576,065)	18.3%	(1,731,198)	(5,844,867)
GLA Grant	(401,500,000)	(401,500,000)	0	0.0%	0	0
<b>Net Financial Position</b>	<b>0</b>	<b>(14,368,682)</b>	<b>(14,368,682)</b>	<b>0.0%</b>	<b>3,061,311</b>	<b>(17,429,993)</b>

**2020/21 Capital Outturn**

The capital outturn for 2020/21 is **£19,156k**, which is a **£1,815k** reduction from the position reported as at the end of Quarter 3 £20,971k (LFC-0478). The changes in the programme are detailed below.

Budgets brought forward from 2021/22	£1,207k
Budget slippage to 2021/22	(£3,076k)
Disposal costs	£138k
Over committed Budget	£51k
Budget Savings	<u>(£135k)</u>
<b>Total</b>	<b>(£1,815k)</b>

**Budget brought forward from 2021/22 – £1,207k**

- Property – Heating works at various stations £90k
- Property – New Training Centre £120k
- Property – Lift refurbishment works £139k
- Fleet – Pumping Appliances CCTV £44k
- Fleet – Fire Rescue Units £752k
- Fleet – Vehicle Modifications £6k
- Communication - Museum fit out £57k

**Slippage to 2021/22 – (£3,076k)**

- ICT - Facilitating Flexible Working (£648k)
- Fleet – Aerial Appliances (£105k)
- Fleet – Fire boat replacement (£592k)
- Fleet – Equipment (£214k)
- Property – Minor Improvements at various stations (£281k)
- Property – Plumstead Refurbishment (£21k)
- Property – Windows works (£218k)
- Property – Roofing works at various stations (£497k)
- Property – Rewiring works at various stations (£5k)
- Property – Appliance Bay Doors (£61k)
- Property – Lambeth River Station (£29k)
- Property – Chelsea / Clapham Accommodation Improvement (£391k)
- Property – Biggin Hill Extension (£7k)
- Property – Carbon Strategy Estate Works (£8k)

**Other Costs - £138k**

- Professional fees incurred in the disposal of sites (£138k)

**Over commitment - £51k**

- ICT – Wireless Access Points £37k
- Property – West Hampstead Cottages Refurbishment £14k

**Budget savings – (£135k)**

- ICT – New Telephone System Equipment (£10k)
- ICT – Farynor Replacement (£4)
- Property - Operational Support Centre (£121k)

**Capital Schemes Update**

The key movements on the capital schemes in 2020/21 are considered below.

Budgets brought forward

The budgets brought forward from 2020/21 of £1,207k primarily relates to Fleet, with the key movement being on Fire Rescue Units (£752k). Other notable movements were Lift Refurbishment (£139k) and Heating (£90k) works in Property

- **Fire Rescue Units £752k** – At December 2020 it was anticipated that none of costs from the LFB Specialist Heavy Fleet Vehicles Replacement report (LFB-0284y-D) would occur in 2020/21 and hence the budget was slipped into future years, however six of the Fire Rescue Units were received before the end of the financial year and triggered Milestone #1 payments.
- **Heating £90k** – Additional costs were occurred towards the end of this financial year which had been anticipated in the following year, this included the final retention amount in relation to Acton which was completed ahead of schedule.
- **Lift Refurbishment works £139k** – Additional progress was made on the lift refurbishment, with further works completed during the financial year.

Budget slippage

The budget slippage of £3,076k to 2021/22 includes the Facilitating Flexible Working project within ICT (£648k). Notable movements within Property projects on Minor Improvements – Stations (£281k), Window works – Stations (£218k), Roofing works at various stations (£497k) and the Accommodation Improvements at Chelsea and Clapham fire stations (£391k). Within Fleet, slippage occurred within the Aerial Appliance replacements (£105k), the Fire Boat replacements (£592k) and on Fleet Equipment (£214k).

- **Facilitating Flexible Working £648k** – The Upgrade to Operating Systems, Virtual Desktop Technology and Replacement of Laptops were all slipped and will be used to fund the Facilitating Flexible Working project (LFC-0429y) which has now been included within the 2021/22 Capital Strategy. The project is to assist the LFC move to a new Flexible Working policy.
- **Minor Improvements – Stations (£281k)** – This slippage relates to a number of projects across fire stations, with the two key areas being the proposed replacement of motorised gates on various stations (£171k) and the provision of glazed washdown canopies at East Ham, Lewisham and Paddington Fire Stations (£112k), which will now be completed in 2021/22.
- **Roofing works at various stations (£497k)** – There are various minor slippages within this project, with the largest slippage at the East Ham / Erith Fire Station Project (£444k).

There was a delay with the validation of the Planning approval for Erith which led to the works not starting as anticipated.

- **Window works at various stations (£218k)** – Just like the roofing work project, there are various minor slippages within the replacement of windows. The largest two slippages are at Finchley Fire Station (£146k) and Surbiton Fire Station (£33k). There was a delay with the return of the draft tender specifications from consultants at Finchley which meant that only fees would be spent in this financial year. At Surbiton, planning permission was only granted in February and so an already lower forecasted outturn figure in Q3 was slipped further.
- **Accommodation Improvements at Chelsea and Clapham fire stations (£391k)** - During the year, a higher than expected tender return prices were received, which resulted in a value engineering exercise to bring the projected cost within budget. This meant that the start on site was delayed until the end of January 2021 with only the 1<sup>st</sup> and 2<sup>nd</sup> valuations being due for payment at the end of the financial year.
- **Aerial Appliance replacements (£105k)** – A slight delay has occurred at Stage 3 on two of the 64m Aerial Appliances which has led to a slippage here and with the relevant change requests.
- **Fire Boat replacements (£592k)** – Slippage occurred as a result of factory shutdowns in 2020 with less resources after reopening, however this has not affected the final delivery date.
- **Fleet Equipment (£214k)** – As above, delays due to Covid has meant that 42 of the 91 expected 13.5m ladders and 57 of the 9m two section ladders will not be received until 2021/22.

### Capital Receipts

Capital receipts applied to the capital programme in 2020/21 totalled £3,776k and are summarised below.

#### Capital Receipts – (£3,776k)

- Contributions & Receipts carried forward from 2019/20 – (£1,304k)
- Sale of St Columba Mast – (£850k)
- Sales of Fleet Vehicles and Equipment - (£382k)
- Contributions – (£1,240k).

### Capital Budget Movements

The tables below provide a summary of the movements since the Q3 financial position report (LFC-0478) and a summary of the impact on the capital budgets in future years.

## 2020/21 Capital Programme

## Appendix 3

The table below sets out the detailed outturn position for capital projects and the movement from the Q3 position.

Department	2020/21 Q3	2020/21 Provisional Outturn	Movement Q3 to Outturn	Reason for Movement Q3 to Outturn
	£000	£000	£000	
<b>ICT Capital Projects</b>				
Upgrade Operating System	98	0	(98)	Slippage to 2021/22
Mobile Data Terminals Replacement	65	65	0	
ICT – Virtual Desktop Technology	250	0	(250)	Slippage to 2021/22
New telephone system equipment	10	0	(10)	Saving
Wireless Access Points	808	845	37	Overspend
Replacement of laptops	300	0	(300)	Slippage to 2021/22
Farynor Replacement	90	86	(4)	Saving
<b>ICT Total</b>	<b>1,621</b>	<b>996</b>	<b>(625)</b>	
<b>Property Capital Projects</b>				
Plumstead Fire Station Redevelopment	351	330	(21)	Slippage to 2021/22
Heating at various stations	536	626	90	Slippage from 2021/22
Window replacement at various stations	564	346	(218)	Slippage to 2021/22
Rewiring of property at various fire stations	45	40	(5)	Slippage to 2021/22
Roofing replacements	1088	591	(497)	Slippage to 2021/22
Minor Improvement Programme	1555	1274	(281)	Slippage to 2021/22
Appliance Bay Doors (Phase 3)	838	777	(61)	Slippage to 2021/22
Brigade wide Survey for Asbestos & Removal	30	31	1	Slippage from 2021/22
West Hampstead Cottages Refurb	344	358	14	Overspend
Croydon Training Centre	20	140	120	Slippage from 2021/22
Operational Support Centre	394	273	(121)	Saving
Lambeth river station	154	125	(29)	Slippage to 2021/22

## 2020/21 Capital Programme

## Appendix 3

Lift Refurbishment Works	72	211	139	Slippage to 2021/22
Chelsea/Clapham FS – Accommodation improvement	857	467	(390)	Slippage to 2021/22
Biggin Hill FS Extension	50	43	(7)	Slippage to 2021/22
Carbon Strategy Estate Works	308	300	(8)	Slippage to 2021/22
<b>Property Total</b>	<b>7,206</b>	<b>5,930</b>	<b>(1,276)</b>	
<b>Communications Capital Projects</b>				
LFB Museum – Fit out	119	176	57	Slippage from 2022/23
<b>Communications Total</b>	<b>119</b>	<b>176</b>	<b>57</b>	
<b>Fleet and Equipment Capital Projects</b>				
Pumping Appliances	3214	3214	0	
CCTV on Pumping Appliances	70	113	43	Slippage from 2021/22
Aerial Appliances	5089	4984	(105)	Slippage to 2021/22
Specialist Heavy Vehicles Total	0	753	753	Slippage from 2021/22
Light Vehicles and Vans	806	806	0	
Vehicle Modifications	11	16	5	Slippage from 2021/22
Fire Boats	2207	1615	(592)	Slippage to 2021/22
Operational Equipment	628	415	(213)	Slippage to 2021/22
<b>Fleet and Equipment Total</b>	<b>20,009</b>	<b>21,558</b>	<b>1,549</b>	
<b>Operational Policy Equipment Capital Projects</b>				
Respiratory Protective Equipment - Barrie	0	0	0	
Standard duration breathing apparatus sets	0	0	0	
Fireground Radios	0	0	0	
Portable Hygiene Units	0	0	0	
<b>Operational Policy Equipment Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Disposal Costs</b>				
	<b>0</b>	<b>138</b>	<b>138</b>	

## 2020/21 Capital Programme

## Appendix 3

<b>Overall Total</b>		20,971	19,156	(1,815)

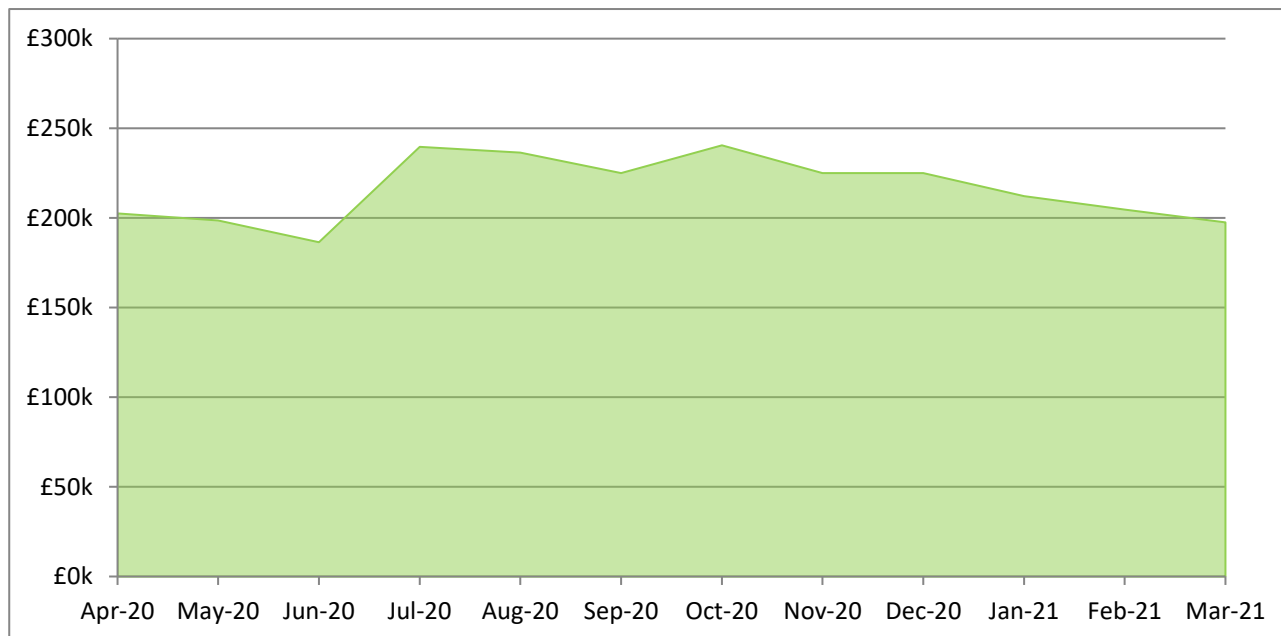
The table below sets out the impact of the Capital Programme Outturn based on the draft Capital Strategy Budget (LFC-0505x) for 2021/22 and future years.

Capital Programme 2021/22 onwards - Outturn 2020/21	2021/22 Capital Strategy Budget £000	Outturn position changes 2020/21 £000	2021/22 Revised Budget £000	2022/23 Budget £000	2023/24 Budget £000	2024/25 Budget £000
ICT Projects	4,369	464	4,833	4,836	5,950	6,926
Property Projects	23,701	5,924	29,625	17,738	10,365	11,699
Communication Project	40	0	40	1,063	1,104	0
Fleet Projects	22,327	395	22,722	3,152	18	3,412
Operational Policy Projects	8,200	0	8,200	0	0	0
<b>CAPITAL EXPENDITURE TOTAL</b>	<b>58,637</b>	<b>6,783</b>	<b>65,420</b>	<b>26,799</b>	<b>17,437</b>	<b>22,037</b>



The chart below shows the amount of outstanding Shut in Lift debts over the last 12 months, with £198k outstanding at the end of March 2021. 18% of this outstanding debt is under 30 days old.

Debts continue to be monitored to determine appropriate actions to manage outstanding balances, however it has been challenging to maintain this work during the pandemic.



The table below shows the top five (worst) outstanding debtors for LIFT income.

Customer Name	Amount Outstanding (£)	No of Invoices Outstanding
A2 DOMINION HOMES LIMITED	13,925	34
ROYAL BOROUGH OF GREENWICH	10,363	25
LONDON BOROUGH OF LAMBETH	8,304	20
PEABODY TRUST	8,287	20
GALLION HOUSING ASSOCIATION	6,104	15
Grand Total	46,984	114

**Review of the top five debtors**

**A2 Dominion Homes Limited:**

A2 Dominion have had the highest level of outstanding debt for several months now. Despite reminder letters sent out earlier for the outstanding invoices and further chasing via telephone calls, A2 are not giving a positive response with regards to payment of their outstanding debts. A final warning letter has now been issued and referral to the General Counsel for further action is now in the process.

**Royal Borough of Greenwich:**

Royal Borough Greenwich advised that the paperwork for obtaining the Purchase Order number was completed incorrectly and needs to be resubmitted. This has now been be actioned and progress on payment is expected.

### **London Borough of Lambeth:**

Nine invoices have now been settled, and the remaining outstanding invoices have been chased by phone, emails and reminder letters.

### **Peabody Trust:**

The majority of outstanding invoices from last year have been now settled. There have been new invoices issued this year which are now outstanding for payment. Emails and reminder letters have been sent and we await feedback.

### **Gallion Housing Association:**

Gallion Housing advised that the Purchase Order numbers are waiting to be released and payment will be made in due course.

**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."*

<b>Department from</b>	<b>Department to</b>	<b>Description</b>	<b>Date</b>	<b>Amount transferred</b>
Technical & Commercial	Technical & Commercial	Temporary until 2021/22. Funding from Modifications for agency costs.	16/12/2020	£50,000
Transformation	Operational Policy	The transfer of Grand funding from reserves (Psychological, BA and Radio Trials.	17/03/2021	£95,143
Transformation	Communications	The transfer of funding from transformation reserve to fund community engagement	30/03/2021	£20,000
Transformation	Operational Resilience and Control	Live Fire Theory and Practical Training Day's - Control	29/04/2021	£43,334
Transformation	Operational Resilience and Control	Control CBT Package for FSG communications	29/04/2021	£16,000
Property	Property	Museum	30/04/2021	£50,000
Transformation	Operational Policy	The transfer of funding from transformation reserve (Drone Capability)	13/05/2021	£26,000

