



LONDON FIRE BRIGADE

Report title

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## Financial Position as at the end of June 2021

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Report to

Corporate Services DB  
Commissioner's Board

Date

20 July 2021  
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Report by

Assistant Director, Finance

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### Summary

This report presents the London Fire Commissioner's (LFC) financial position as at the end of June 2021 and provides information on financial performance against revenue and capital budgets.

### Recommendation

#### That the London Fire Commissioner:

1. Notes the financial position as at the end of June 2021.
2. Approves the reserve movements set out at Table 2.

### Background

1. This report presents the current revenue and capital expenditure position for June 2021 and the forecast outturn position at March 2022.
2. All departments review their actual income and expenditure on a month/quarterly basis and provide an updated forecast of outturn and explanation of variances, against all their budgets, to the Finance Department. These returns then form the basis of reporting to the Corporate Services Directorate Board and to the Commissioner's Board and from there on to the Greater London Authority.

### Background to 2020/21 Budget

3. The 2021/22 budget was approved by the London Fire Commissioner (LFC) on 24 March 2021 (LFC-0505x) with a net revenue budget of £405.4m, being made up of net expenditure of £363.8m with £8.3m funding from earmarked reserves and £33.3m funding from specific grants.
4. This report sets out a summary position on both the revenue and capital budgets, and then provides more detailed explanations of variances.

## Mayor's Budget Guidance for 2022/23

5. The Mayor of London's Budget Guidance for 2022/23 is awaited and will be prepared in the context of significant financial uncertainty following the Covid-19 pandemic, and potentially to be further impacted by the outcome of the Spending Review.

### Revenue

6. The forecast outturn position at the end of June 2021 on the revenue budget is for an underspend of £2,469k, which is 0.5% of the net revenue budget.
7. The variance is mainly due to:
  - FRS staff budgets that are forecast to underspend by £3,730k (6.3% of the FRS budget). This forecast is based on spend to date, with a significant underspend forecast due to the number of vacancies at the start of the year, following the additional recruitment controls put in place on FRS and agency staff, and continuing challenges in recruiting during the pandemic. The underspend is after the impact of an increased vacancy margin for the year. There have been particular challenges in recruiting and retaining Fire Safety Inspecting Officers with staff costs here forecast to underspend by £2,693k. At the end of June, there were 168 FRS vacancies across all departments and with 73 agency staff to help mitigate the impact of this. Although vacancy levels had increased due to the recruitment controls last year, it was expected that once these were removed, vacancy levels and particularly agency staff would quickly return to previous levels, which has not occurred.
  - Additional Income from insurers £3,146k mainly on Grenfell Tower Investigation legal costs that offsets cost on professional services and software purchase (as set out below).
  - Reduced levels of expenditure in some specific areas with the ongoing impact of Covid-19, including £710k due to reduced home visits with continuing pandemic restrictions.
  - Vehicle insurance costs, with a new insurer requiring different arrangements to manage the LFB's costs of insurance claims resulting in the budget originally provided for the annual escrow fund payments now being considerably lower and allowing a one-off reduction in spend (£710k).
8. The above underspends are offset by:
  - Professional Services £3,474k due to the Grenfell Tower Investigation legal costs and related spend for software purchase, which is largely offset by income from the insurers (as set out above).
  - The budget for operational staff is forecast to overspend by £1,241k. The key element of this overspend is direct standbys due to vacancies (£779k) and operational overtime.
  - £676k on firefighter trainees with courses deferred due to Covid-19 and an increase in the number of candidates being re-coursed to meet additional trainee support requirements.
  - £249k overspend on Unitary Payment attributable charge for the new Aerials for training and additional training cost to cover three Dual Purpose Ladder training slots. There is also a £100k overspend on vehicle passthroughs due to a pumping appliance accident.
9. The key variances are explained in more detail from paragraph 11 below.

## Tables and Appendices to this report

10. A number of appendices provide additional detail on the financial position, as follows:

- Table 1 provides a summary of the financial position for the revenue budget;
- Table 2 provides the latest position on reserves;
- Appendix 1 provides additional detail on the forecast outturn financial position for the revenue budget;
- Appendix 2 contains the financial position for the capital budget;
- Appendix 3 shows the changes in the use of reserves from March Budget Report;
- Appendix 4 discuss the risks to the revenue and capital position that have not been quantified;
- Appendix 5 provides an analysis of outstanding debt relating to charges for Shut in Lift attendances;
- Appendix 6 meets the requirement to disclose all budget virements within the quarter under the LFC Scheme of Governance;

**Table 1 - Summary Financial Position**

	Year to date Budget	Year to date Spend	Year to date Variance	Full Year Budget	Forecast Outturn	Outturn Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Operational staff	67,684	70,342	2,658	270,735	272,652	1,917
Other staff	16,102	17,211	1,109	64,440	60,576	(3,864)
Employee related	21,435	23,508	2,073	25,140	25,213	74
Pensions	6,304	4,880	(1,424)	21,644	21,744	100
Premises	18,482	17,075	(1,406)	44,837	44,753	(84)
Transport	13,801	16,901	3,100	17,605	16,493	(1,112)
Supplies and services	15,353	27,884	12,532	30,876	34,763	3,887
Third party payments	877	974	97	1,401	1,497	96
Capital financing costs	(110)	0	110	8,953	8,953	0
Central contingency against inflation	1,076	0	(1,076)	6,016	5,991	(26)
<b>Total revenue expenditure</b>	<b>161,003</b>	<b>178,776</b>	<b>17,773</b>	<b>491,648</b>	<b>492,636</b>	<b>988</b>
Other income	(3,144)	(18,230)	(15,086)	(41,138)	(44,632)	(3,494)
<b>Net revenue expenditure</b>	<b>157,859</b>	<b>160,546</b>	<b>2,687</b>	<b>450,509</b>	<b>448,004</b>	<b>(2,505)</b>
Use of earmarked reserves	(905)	0	905	(11,183)	(11,167)	16
<b>Financing Requirement</b>	<b>156,954</b>	<b>160,546</b>	<b>3,592</b>	<b>439,327</b>	<b>436,837</b>	<b>(2,489)</b>
Financed by:						
Specific grants	(8,935)	0	8,935	(33,927)	(33,907)	20
<b>Net Financial Position</b>	<b>148,019</b>	<b>160,546</b>	<b>12,527</b>	<b>405,400</b>	<b>402,931</b>	<b>(2,469)</b>

## Reasons for the Revenue Position

### Staff

11. The budget for operational staff is forecast to overspend by £1,241k. The key element of this overspend is direct standbys due to vacancies (£779k) and operational overtime. At the end of June 2021 the average vacancy level is forecast at 190 due to leavers, including additional leavers now expected in anticipation of the implementation of the remedy relating to the unlawful transitional arrangements applicable to the 2015 Firefighters Pension Scheme. This is in excess of the budgeted vacancy margin of 108 and will continue to be monitored closely.
12. Currently pre-arranged overtime is forecast to be on budget for 2021/22, however the position remains subject to change as the Brigade responds to developing challenges, particularly relating to the pandemic, including requirements to self-isolate as well as requests from the London Ambulance Service on Ambulance Driver Assist. This position will be monitored closely, as the position and Government guidance is subject to change. The Covid reserve contains funding of £2m for unforeseen costs in 2021/22, which could help meet the cost of any overspend identified.
13. There is also an overspend of £676k on firefighter trainees due to courses deferred due to Covid-19 and an increase in the number of candidates being re-coursed to meet additional trainee support requirements.
14. FRS staff budgets are forecast to underspend by £3,730k (6.3% of the FRS budget). This forecast is based on spend to date, with a significant underspend forecast due to the number of vacancies at the start of the year, following the additional recruitment controls put in place on FRS and agency staff, and continuing challenges in recruiting during the pandemic. The underspend is after the impact of an increased vacancy margin for the year. There have been particular challenges in recruiting and retaining Fire Safety Inspecting Officers with staff costs here forecast to underspend by £2,693k. At the end of June, there were 168 FRS vacancies across all departments and with 73 agency staff to help mitigate the impact of this.
15. Although vacancy levels had increased due to the recruitment controls last year, it was expected that once these were removed, vacancy levels and particularly agency staff would quickly return to previous levels, which has not occurred. It should also be noted that the LFC will move to the new supplier of agency staff from August 2021. It may be that progress on recruitment and increased use of agency staff over the coming months will see the forecast underspend reduces.
16. Control staff budgets are forecast to underspend by £133k due to vacancies.

### Employee related

17. Employee related budgets are forecast to overspend by £74k, in relation to historic early release costs on the Local Government Pension Scheme (LGPS). The budget includes an expectation of reducing costs over time, as has been experienced in previous years, however this year has seen a higher level of dependent pensions being payable therefore extending the pensions liability. This additional liability is being reviewed and will necessitate a budget increase of around £80k to be incorporated into the Medium Term Plan.

### Transport

18. There is a forecast underspend of £1,449k on running costs with reduced home visits due to the Covid-19 pandemic (£710k) and on vehicle insurance claims, following the successful procurement process to identify alternative options for fleet and liability covers. The new insurer

has different arrangements in place to fund the self-insured elements of claims which results in a one-off reduction in spend.

19. This is offset by forecast overspend on Unitary Payment attributable to the charge for the new Aerials (£156k) to cover the period of training between April and September 2021. This was expected to be completed last year but, due to the impact of Covid-19, the period of this training has now been extended into 2021/22. There will be three additional slots being paid for and a further £93k, due to increased training cost to cover three Dual Purpose Ladder (DPL) training slots from April 2021 to March 2022. This expenditure is for additional FFD training at the Fire Service College, for the fire engines for this training. There is also £100k overspend on vehicle passthroughs due to DPL pumping appliance accident.

### **Supplies and Services**

20. There is a forecast overspend of £3,887k on Supplies and Services budgets, mainly on Professional Services on Grenfell Tower Investigation legal costs. This is offsets by income from insurers.

### **Income**

21. There is a forecast over recovery of income of £3,494k due to income from insurers in respect of the Grenfell Tower Investigation which offsets spend on professional services and software costs relating to Grenfell.

### **Capital**

22. The original budget for the 2021/22 capital programme was £58,637k, as per the Capital Strategy approved as part of the Budget 2021/22 (LFC-0505x) report. The budget was increased to £60,563k following on from the capital outturn position for 2020/21 reported in the Provisional Outturn, which saw £1,926k carried forward to 2021/22 from 2020/21.
23. The forecasted capital outturn for 2021/22 as at Quarter 1 is £47,263k which is £13,300k less than the revised budget position. The underspends are within ICT £2,254k, Property £7,087 and Fleet £3,959k.
24. The sale of the Shooters Hill site was also completed, resulting in a £475k capital receipt in 2021/22. The position on the amount and timing of other capital receipts, including for sites at Clerkenwell and Albert Embankment, continues to be monitored.
25. The key variances are explained in more detail in paragraph 31 below and at Appendix 2.

### **Position on Reserves**

26. The table below sets out the position on the financial reserves, resulting from the financial position reported above. The balance on the general reserve, following the forecast outturn underspend position, is £18,419k, and this is £2,651k above the minimum general reserve position of 3.5% of the net revenue expenditure.
27. Table 5 below sets out the position on the financial reserves.

**Table 5 - Position on Reserves**

£000s	Opening Balance at 01/04/21	Transfer Between Reserves In Year	Use of Reserves	Closing Balance at 31/03/22
Additional Resilience Requirements	524			524
Capital Expenditure Reserve	11,745			11,745
Central Programme Office	829	(501)		328
In Year Savings Reserve	5,000			5,000
Compensation	1,000		(890)	110
Emergency Services Mobile Communication Programme	1,081			1,081
Pensions Earmarked Reserve	425			425
Covid	1,968			1,968
Emergency Medical Response	294			294
Fire Safety and Youth Engagement	4,939			4,939
Transformation Reserve	6,278			6,278
Grenfell Infrastructure Reserve	1,210		(43)	1,167
Hydrants	462			462
ICT Development Reserve	2,283			2,283
LFC Control Centre	729			729
LFB Museum Project	372			372
London Resilience	771			771
London Safety Plan Initiatives	2,716			2,716
Organisational Reviews	239			239
Recruitment/ Outreach	250			250
Sustainability	235			235
Vehicle & Equipment Reserve	2,585			2,585

£000s	Opening Balance at 01/04/21	Transfer Between Reserves In Year	Use of Reserves	Closing Balance at 31/03/22
Budget Flexibility	31,417			31,417
General	15,449	501	2,469	18,419
<b>Total</b>	<b>92,801</b>	<b>0</b>	<b>1,536</b>	<b>94,337</b>

28. The use of reserves mainly includes £890k on Compensation reserve to fund personal injury claims. This leaves a balance of only £110k at the end of June out of the earmarked reserves of £1,000k earmarked for compensation to meet any additional costs this year.
29. Following a review of the Central Programme Office (CPO) earmarked reserve a balance of £501k has been moved into the general reserve to bring the reserve to the actual position expected. This remaining reserve balance reflects the actual funding received for the CPO above the costs incurred.
30. The forecast movement on the reserves in 2020/21 was included as part of the Budget Report 2021/22, and the movements set out above are compared to the original forecast in a table provided at Appendix 3. This shows the anticipated balance on reserves at 31st March 2021 presented in the March Budget, and the revised forecast balance included in this report. The forecast balance in reserves has increased from £92,801k to £94,337k, an increase of £1,536k mainly as a result of the forecast underspending position on the general reserve.

### Capital

31. The Capital budget approved by the LFC in March 2021 was £58,637k. This budget has increased due to the approval of slippage from 2020/21 to 2021/22 of £1,926k.
- Budgets Approved for 2021/22 £58,637k
  - Budget Slippage from 2020/21 £1,926k
  - Total** **£60,563**
32. The budgets brought forward to 2021/22 of £1,926k relate to ICT £648K, Property £1,169K and Fleet £109k.
33. The forecast capital outturn position at the end of June 2021 is £13,300k less than the approved Capital Programme of £60,563k. The main changes in the programme are outlined below and in Table 6, with a more detailed explanation in Appendix 2.
34. The £2,254k variance in ICT is due to the review of projects including the Operational Risk database (£1,141k), The OneRisk project has been delayed through the requirements gathering phase primarily due to the need to re-prioritise activity during the pandemic, with the strategy now combining this with related projects, and the procurement process to be initiated later this year. The other key area is Computer Terminals and Virtual Desktop (laptops) Technology (£765k), where there was a procurement delay with a number of suppliers, however orders have now been placed for the equipment.
35. The new training centre project (£7,087k in the current year) has now been discontinued, and work on the planned training building ceased, with alternative methods of delivering the training requirement now being considered.

36. The spend in Fleet continues to be reviewed and, whilst the rollout of the replacement programme remains generally on schedule, there have been challenges due to global supplier delays in vehicle parts, relating to the pandemic and additional border controls. A substantial part of the variance in Fleet of £3,959k relates to the rephasing of the contingency set aside, which if not required can be released at the conclusion of the project.

**Table 6 – Summary Capital Finance Position**

	<b>Full Year Budget</b>	<b>Forecast Outturn</b>	<b>Outturn Variance</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
ICT	5,017	2,763	(2,254)
Property	24,870	17,783	(7,087)
Communications	40	40	0
Fleet and Equipment	22,436	18,477	(3,959)
Operational Policy	8,200	8,200	0
<b>Total Capital Expenditure</b>	<b>60,563</b>	<b>47,263</b>	<b>(13,300)</b>

### **Debtors**

37. An analysis of debtors relating to Shut in Lift is provided in Appendix 5. This includes a chart that shows the level of Shut in Lift debts. The total number of Shut in Lift debts had been falling gradually, with the overall balance reduced from £300k at the end of September 2015 to £98k at the end of June 2019. As at the end of June 2021, the total outstanding debt on Shut in Lift is £205k with this increase due to the increasing level of charges raised, with further work being undertaken to confirm if this is an ongoing trend.

### **Finance comments**

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

### **Workforce comments**

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

### **Legal comments**

40. The report is a financial performance update, presented for information only. It is submitted in accordance with Part 6 (Financial Regulations) of the London Fire Commissioner's ("LFC") Scheme of Governance that sets out detailed rules covering financial planning, monitoring, control, systems and procedures and insurance.

41. This report fulfils the obligations of section 8 (f) of the Financial Regulations which stipulates that, "Following consultation with the relevant Heads of Service the Director of Corporate Services will present budget monitoring reports to the relevant Board regularly.

42. 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**

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

## **Equalities implications**

44. 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.
45. 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.
46. 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.
47. 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.
48. 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.
49. 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.
50. 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.

51. Paragraphs 5.3 and 5.4 of the Mayor's Budget Guidance stipulate that:

5.3 It will be a key objective for London's recovery to address the social and economic inequalities that have driven differences in the impact of Covid-19 across London's communities, as well as the inequalities created as a result of the crisis itself. In reviewing and repurposing their budgets to support London's recovery all members of the GLA Group must consider what steps they can take to address these inequalities.

5.4 All members of the GLA Group must also assess their wider budget proposals to consider both their potential impact on different groups of Londoners (including, but not limited to, those protected by equalities legislation), and are encouraged to consider how they can broaden their activities to further address poverty, economic inequality and social integration in London.

52. On 30 June 2020 the LFB Head of Strategic Finance wrote to all Heads of Department with budget packs to request their saving/growth proposals. As part of this communication a specific instruction was included which set out the LFB's obligations under the Equality Act and Public Sector Equality Duty, with guidance to support them to complete Equality Impact Assessments (EIAs) on relevant proposals.

53. The Inclusion Team has been consulted throughout the process and will support any departments undertaking EIAs on their proposals.

#### **List of Appendices to this report**

1. Detailed Financial Position
2. Capital Programme 2020/21
3. Changes in use of reserves from March Budget Report
4. Risks to the revenue and capital position
5. Outstanding LIFT debtors
6. Scheme of Governance – Budget Virements

#### **Consultation**

<b>Name/role</b>	<b>Method consulted</b>
Heads of Department	Departmental finance returns

## Appendix 1 – Detailed Financial Position

	Year to date Budget	Year to date Spend	Year to date Variance		Full Year Budget	Forecast Outturn	Outturn Variance	
	£	£	£	%	£	£	£	%
Operational Staff	67,683,655	69,875,411	2,191,756	3.2%	270,734,620	271,975,834	1,241,214	0.5%
Trainee Firefighters	0	466,604	466,604	0.0%	0	676,073	676,073	0.0%
<b>Total Operational Staff</b>	<b>67,683,655</b>	<b>70,342,015</b>	<b>2,658,360</b>	<b>3.9%</b>	<b>270,734,620</b>	<b>272,651,907</b>	<b>1,917,287</b>	<b>0.7%</b>
FRS Staff	14,907,667	15,737,377	829,710	5.6%	59,661,679	55,931,664	(3,730,015)	(6.3%)
Control Staff	1,194,693	1,473,956	279,263	23.4%	4,778,772	4,644,818	(133,954)	(2.8%)
<b>Total Other Staff</b>	<b>16,102,360</b>	<b>17,211,334</b>	<b>1,108,973</b>	<b>6.9%</b>	<b>64,440,450</b>	<b>60,576,482</b>	<b>(3,863,969)</b>	<b>(6.0%)</b>
Other Pension Payments	205,000	225,079	20,079	9.8%	820,000	900,000	80,000	9.8%
Professional Development	19,290,829	22,042,275	2,751,446	14.3%	18,919,370	18,975,356	55,986	0.3%
Recruitment	30,290	39,453	9,163	30.3%	121,159	121,159	0	0.0%
Employee Related Insurance	265,205	201,474	(63,731)	(24.0%)	1,375,009	1,375,009	0	0.0%
Compensation	1,140,282	478,825	(661,457)	(58.0%)	1,890,807	1,890,807	0	0.0%
Medical and Welfare Expenses	503,323	520,875	17,552	3.5%	2,013,291	1,951,019	(62,272)	(3.1%)
<b>Total Employee Related</b>	<b>21,434,928</b>	<b>23,507,980</b>	<b>2,073,052</b>	<b>9.7%</b>	<b>25,139,636</b>	<b>25,213,350</b>	<b>73,714</b>	<b>0.3%</b>
Firefighter Pension Scheme	6,303,875	4,879,804	(1,424,071)	(22.6%)	21,643,761	21,743,761	100,000	0.5%
Building Maintenance	3,218,746	2,656,271	(562,476)	(17.5%)	11,240,296	11,156,082	(84,214)	(0.7%)
Premises Security	76,000	77,000	1,000	1.3%	76,000	76,000	0	0.0%
Energy Costs	405,270	641,986	236,716	58.4%	2,537,332	2,537,332	0	0.0%
Rents	4,698,152	3,777,376	(920,776)	(19.6%)	8,659,856	8,659,856	0	0.0%
Property PFI Contract	5,658,276	5,707,112	48,836	0.9%	5,727,495	5,727,495	0	0.0%
Property Rates	2,569,228	2,200,368	(368,860)	(14.4%)	8,658,610	8,658,610	0	0.0%
Water & Sewerage Rates	50,268	71,273	21,005	41.8%	293,072	293,072	0	0.0%
Fixtures & Fittings	21,992	10,587	(11,405)	(51.9%)	87,969	87,969	0	0.0%

## Appendix 1 – Detailed Financial Position

	Year to date Budget	Year to date Spend	Year to date Variance		Full Year Budget	Forecast Outturn	Outturn Variance	
	£	£	£	%	£	£	£	%
Cleaning and Domestic Supplies	616,567	213,228	(403,339)	(65.4%)	2,546,600	2,546,600	0	0.0%
Premises Insurance	0	86,163	86,163	0.0%	341,277	341,277	0	0.0%
Other Property Services	1,167,240	1,633,986	466,746	40.0%	4,668,960	4,668,960	0	0.0%
<b>Total Premises</b>	<b>18,481,739</b>	<b>17,075,348</b>	<b>(1,406,391)</b>	<b>(7.6%)</b>	<b>44,837,466</b>	<b>44,753,252</b>	<b>(84,214)</b>	<b>(0.2%)</b>
Running Costs	760,497	1,879,473	1,118,976	147.1%	2,914,186	1,465,311	(1,448,875)	(49.7%)
Vehicle and Equipment Contract	11,973,566	13,014,622	1,041,056	8.7%	11,921,269	12,170,130	248,861	2.1%
Vehicle Passthroughs	552,418	674,098	121,680	22.0%	538,498	638,498	100,000	18.6%
Maintenance and Repairs	0	358,979	358,979	0.0%	173,587	173,587	0	0.0%
Contract Hire & Operating Leases	321,112	369,889	48,777	15.2%	1,284,449	1,270,017	(14,432)	(1.1%)
Travel	193,164	603,953	410,790	212.7%	772,654	775,571	2,917	0.4%
<b>Total Transport</b>	<b>13,800,757</b>	<b>16,901,014</b>	<b>3,100,258</b>	<b>22.5%</b>	<b>17,604,644</b>	<b>16,493,115</b>	<b>(1,111,529)</b>	<b>(6.3%)</b>
Hydrants	114,700	936,566	821,866	716.5%	458,799	458,799	0	0.0%
Operational Equipment	616,568	1,129,082	512,514	83.1%	2,613,658	2,608,381	(5,277)	(0.2%)
Smoke Alarms	140,000	109,877	(30,123)	(21.5%)	560,000	560,000	0	0.0%
Equipment Furniture and Materials	88,608	217,928	129,320	145.9%	354,435	357,547	3,112	0.9%
Lost & NFWT Operational Equipment	128,158	262,677	134,519	105.0%	128,158	178,158	50,000	39.0%
Catering	69,984	76,186	6,202	8.9%	279,936	276,542	(3,394)	(1.2%)
Clothing & Laundry	2,711,559	3,205,394	493,835	18.2%	3,325,067	3,311,825	(13,242)	(0.4%)
General Office Expenses	194,137	329,408	135,270	69.7%	600,141	594,969	(5,172)	(0.9%)
Professional Services	8,181,805	9,507,545	1,325,739	16.2%	9,557,808	12,934,232	3,376,424	35.3%
Postal Services	60,717	50,616	(10,101)	(16.6%)	61,055	50,978	(10,077)	(16.5%)
Communications	1,112,940	6,501,171	5,388,230	484.1%	4,451,762	4,720,972	269,210	6.0%
Hardware and Software	1,735,126	4,961,613	3,226,487	186.0%	7,548,163	7,772,346	224,183	3.0%
Staff Reimbursements	60,403	108,426	48,022	79.5%	241,621	244,067	2,446	1.0%
Grants and Subscriptions	98,404	151,848	53,444	54.3%	270,616	270,558	(58)	(0.0%)

## Appendix 1 – Detailed Financial Position

	Year to date Budget	Year to date Spend	Year to date Variance		Full Year Budget	Forecast Outturn	Outturn Variance	
	£	£	£	%	£	£	£	%
Other Insurance	0	218,907	218,907	0.0%	267,199	267,199	0	0.0%
Advertising	28,165	88,929	60,764	215.7%	112,661	112,661	0	0.0%
Other Supplies and Services	11,292	28,227	16,935	150.0%	45,170	44,170	(1,000)	(2.2%)
<b>Total Supplies and Services</b>	<b>15,352,568</b>	<b>27,884,398</b>	<b>12,531,831</b>	<b>81.6%</b>	<b>30,876,250</b>	<b>34,763,404</b>	<b>3,887,155</b>	<b>12.6%</b>
Other Agencies	329,197	92,316	(236,881)	(72.0%)	312,697	312,697	0	0.0%
Other Local Authorities	454,624	829,541	374,917	82.5%	952,978	1,048,518	95,540	10.0%
Audit & Bank Charges	93,200	52,458	(40,742)	(43.7%)	135,800	135,800	0	0.0%
<b>Total Third Party Payments</b>	<b>877,021</b>	<b>974,314</b>	<b>97,293</b>	<b>11.1%</b>	<b>1,401,475</b>	<b>1,497,015</b>	<b>95,540</b>	<b>6.8%</b>
Debt Repayment	(308,750)	0	308,750	(100.0%)	6,976,000	6,976,000	0	0.0%
External Interest	199,083	0	(199,083)	(100.0%)	1,977,000	1,977,000	0	0.0%
<b>Total Capital Financing Costs</b>	<b>(109,667)</b>	<b>0</b>	<b>109,667</b>	<b>(100.0%)</b>	<b>8,953,000</b>	<b>8,953,000</b>	<b>0</b>	<b>0.0%</b>
Budget for Non Staff Inflation	(0)	0	0	(100.0%)	(1)	(1)	0	0.0%
Central Contingency	1,225,642	0	(1,225,642)	(100.0%)	5,090,225	5,090,225	0	0.0%
Savings to Be Achieved	(87,542)	0	87,542	(100.0%)	821,300	821,300	0	0.0%
Savings done by DA	(62,250)	0	62,250	(100.0%)	104,847	79,137	(25,709)	(24.5%)
Contingency	1,075,849	0	(1,075,849)	(100.0%)	6,016,371	5,990,662	(25,709)	(0.4%)
<b>Total revenue expenditure</b>	<b>161,003,085</b>	<b>178,776,208</b>	<b>17,773,124</b>	<b>11.0%</b>	<b>491,647,672</b>	<b>492,635,947</b>	<b>988,274</b>	<b>0.2%</b>
MFB Act Income	(161,028)	(18,796,802)	(18,635,774)	11,573.0%	(32,123,319)	(32,123,319)	0	0.0%
Customer and Client Receipts	(2,957,839)	567,142	3,524,982	(119.2%)	(8,414,877)	(11,908,523)	(3,493,646)	41.5%
Interest Receivable	(25,000)	(70)	24,930	(99.7%)	(600,000)	(600,000)	0	0.0%

## Appendix 1 – Detailed Financial Position

	Year to date Budget	Year to date Spend	Year to date Variance		Full Year Budget	Forecast Outturn	Outturn Variance	
	£	£	£	%	£	£	£	%
Total Other Income	(3,143,867)	(18,229,730)	(15,085,862)	479.9%	(41,138,196)	(44,631,842)	(3,493,646)	8.5%
<b>Net revenue expenditure</b>	<b>157,859,217</b>	<b>160,546,479</b>	<b>2,687,261</b>	<b>1.7%</b>	<b>450,509,477</b>	<b>448,004,105</b>	<b>(2,505,372)</b>	<b>(0.6%)</b>
Use of General Reserves	0	0	0	0.0%	0	0	0	0.0%
Use of Earmarked Reserves	(904,941)	0	904,941	(100.0%)	(11,182,966)	(11,166,966)	16,000	(1.7%)
<b>Financing Requirement</b>	<b>156,954,277</b>	<b>160,546,479</b>	<b>3,592,202</b>	<b>2.3%</b>	<b>439,326,511</b>	<b>436,837,139</b>	<b>(2,489,372)</b>	<b>(0.6%)</b>
Financed by:								
Specific grants	(8,934,943)	0	8,934,943	(100.0%)	(33,926,511)	(33,906,511)	20,000	(0.1%)
GLA Grant	0	0	0	0.0%	0	0	0	0.0%
<b>Net Financial Position</b>	<b>148,019,334</b>	<b>160,546,479</b>	<b>12,527,145</b>	<b>8.5%</b>	<b>405,400,000</b>	<b>402,930,628</b>	<b>(2,469,372)</b>	<b>0.0%</b>

## Appendix 2 - Capital Programme 2020/21

### 2021/22 Capital position – Quarter 1

The forecast capital outturn position at the end of June 2021 is **£47,263k**, this is **£13,300k less** than budgeted.

Department	2021/22 Strategy Budget	2021/22 Revised Budget Q1	Movement Outturn to Q1	2021/22 Forecast Q1	Outturn Variance
	£000s	£000s	£000s	£000s	£000s
<b>ICT Projects</b>					
Upgrade Operating System	0	98	98	0	(98)
Control & Mobilisation System (CAMS)	200	200	0	200	0
Audio Equipment for Union St	220	220	0	220	0
ICT – Virtual Desktop Technology	0	250	250	0	(250)
New ISP	500	500	0	500	0
New WAN	500	500	0	500	0
Replacement of laptops	348	648	300	648	0
New computer terminals - Thin Client	765	765	0	0	(765)
New audio visual equips for Stations	500	500	0	500	0
Data transfer system for Joint Emergency Services Interoperability Programme	195	195	0	195	0
Farynor Replacement (linked to ICT Home Fire Safety Database Project)	1141	1141	0	0	(1,141)
<b>ICT PROJECTS</b>	<b>4,369</b>	<b>5,017</b>	<b>648</b>	<b>2,763</b>	<b>(2,254)</b>
<b>PROPERTY PROJECTS</b>					
Plumstead Fire Station Redevelopment	2,871	2,892	21	2,893	1
Heating at various stations	1,887	1,797	(90)	1,797	0
Window replacement at various stations	652	870	218	1,521	651
Rewiring of property at various fire stations	30	35	5	35	0
Roofing replacements	1,391	1,888	497	1,688	(200)
Minor Improvement Programme	2,639	2,920	281	2,738	(182)
Appliance Bay Doors (Phase 3)	938	999	61	993	(6)
Brigade wide Survey for Asbestos & Removal	20	20	0	19	(1)
West Hampstead Cottages Refurb (FEP2776)	0	0	0	0	0
New Training Centre *	7,469	7,349	(120)	0	(7,349)
Operational Support Centre (PEG/BDC Development)	0	0	0	0	0
Lambeth river station (growth bid)	3,043	3,072	29	3,071	(1)
Lift Refurbishment Works	1,000	861	(139)	861	0
Chelsea/Clapham FS's – Accommodation improvement	250	641	391	641	0
Biggin Hill FS Extension	130	137	7	137	0
Carbon Strategy Estate Works	881	889	8	889	0
Gender neutral (Privacy for all) Facilities	500	500	0	500	0
<b>PROPERTY PROJECTS</b>	<b>23,701</b>	<b>24,870</b>	<b>1,169</b>	<b>17,783</b>	<b>(7,087)</b>

## Appendix 2 - Capital Programme 2020/21

Department	2021/22 Strategy Budget	2021/22 Revised Budget Q1	Movement Outturn to Q1	2021/22 Forecast Q1	Outturn Variance
	£000s	£000s	£000s	£000s	£000s
<b>COMMUNICATIONS</b>					
LFB Museum – Fitout	40	40	0	40	0
<b>COMMUNICATIONS PROJECTS</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>40</b>	<b>0</b>
<b>FLEET &amp; EQUIPMENT PROJECTS</b>					
Pumping Appliances	0	0	0	0	0
Aerial Appliances	3,474	3,579	105	77	(3,502)
Specialist Heavy Vehicles Total	12,435	11,683	(752)	12,184	501
CCTV on Pumping Appliances *	76	32	(44)	91	59
ZEPA	0	0	0	354	354
Light Vehicles and Vans	1,821	1,821	0	1,822	1
Vehicle Modifications	0	(6)	(6)	0	6
Fire Boats	1,572	2,164	592	1,586	(578)
Operational Equipment	2,949	3,163	214	2,363	(800)
ULEF Compliant	0		0	0	0
<b>FLEET &amp; EQUIPMENT PROJECTS</b>	<b>22,327</b>	<b>22,436</b>	<b>109</b>	<b>18,477</b>	<b>(3,959)</b>
<b>OPERATIONAL POLICY</b>					
Respiratory Protective Equipment	2,300	2300	0	2,300	0
Standard duration breathing apparatus sets	5,000	5000	0	5,000	0
Fireground Radios	900	900	0	900	0
<b>OPERATIONAL POLICY PROJECTS</b>	<b>8,200</b>	<b>8,200</b>	<b>0</b>	<b>8,200</b>	<b>0</b>
<b>TOTAL</b>	<b>58,637</b>	<b>60,563</b>	<b>1,926</b>	<b>47,263</b>	<b>(13,300)</b>

## Appendix 2 - Capital Programme 2020/21

The table below sets out the impact of the capital project slippage from 2020/21 and the changes to capital schemes as part of 2021/22 quarter 1 forecast position.

Capital Programme 2021/22 onwards - Outturn 2020/21	2021/22 Capital Strategy Budget £000	Slippage from 2020/21 £000	2021/22 Revised Budget £000	2021/22 Qtr. 1 Forecast £000	Variance £000	2022/23 Revised Budget £000	2023/24 Revised Budget £000	2024/25 Revised Budget £000	2025/26 Revised Budget £000
ICT Projects	4,369	648	5,017	2,763	(2,254)	5,703	6,299	6,901	2,936
Property Projects	23,701	1,169	24,870	17,783	(7,087)	25,642	13,156	16,335	37,169
Communication Project	40	0	40	40	0	1,063	1,104	0	0
Fleet Projects	22,327	109	22,436	18,477	(3,959)	3,614	18	3,416	4,215
Operational Policy Projects	8,200	0	8,200	8,200	0	0	0	0	0
<b>CAPITAL EXPENDITURE TOTAL</b>	<b>58,637</b>	<b>1,926</b>	<b>60,563</b>	<b>47,263</b>	<b>(13,300)</b>	<b>36,022</b>	<b>20,577</b>	<b>26,652</b>	<b>44,321</b>

- **ICT** – The variance is due to the review of projects including the Operational Risk database, New Computer Terminals and Virtual Desktop Technology. The reason for the slippage is due to a shift in working arrangements as people are working more from home. There is sufficient budget for the replacement and allocation of laptops for staff and therefore there is no additional budget required. A request to slip current year budget into future years will be made during the year.
- **Property** – The new training centre project has now been discontinued with alternative methods of training now being considered, which means work on the proposed training building has ceased.
- **Fleet** – The underspend is due to global supplier delays in vehicle parts including aerial appliances and costs in relation to the command units.

During Quarter 2 a further review will take place and there will result of the rephasing of the current year budget into future years.

Appendix 3 shows the anticipated balance on reserves on 31st March 2021 in the March Budget, and the revised forecast balance included in this report. The total amount of reserves has increased from £92,801k to £94,337k, an increase of £1,536k mainly as a result of the forecast underspending position on the general reserve.

£000s	Balance March 2021	Balance March 2022	Movement	Comments
Additional Resilience Requirements	524	524	0	
Capital Expenditure Reserve	11,745	11,745	0	
Central Programme Office	829	328	(501)	This adjustment reflects an update to the reserve to reflect actual funding received for the CPO above costs incurred.
In Year Savings Reserve	5,000	5,000	0	
Compensation	1,000	110	(890)	Draw on compensation reserve to meet overspend on personal injury claims and contribution towards costs and damages,
Emergency Services Mobile Communication Programme	1,081	1,081	0	
Pensions Earmarked Reserve	425	425	0	
Covid	1,968	1,968	0	
Emergency Medical Response	294	294	0	
Fire Safety and Youth Engagement	4,939	4,939	0	
Transformation Reserve	6,278	6,278	0	
Grenfell Infrastructure Reserve	1,210	1,167	(43)	
Hydrants	462	462	0	
ICT Development Reserve	2,283	2,283	0	
LFC Control Centre	729	729	0	
LFB Museum Project	372	372	0	
London Resilience	771	771	0	
London Safety Plan Initiatives	2,716	2,716	0	
Organisational Reviews	239	239	0	
Recruitment/ Outreach	250	250	0	
Sustainability	235	235	0	
Vehicle & Equipment Reserve	2,585	2,585	0	
Budget Flexibility	31,417	31,417	0	
General	15,449	18,419	2,970	Forecast underspend
<b>Total</b>	<b>92,801</b>	<b>94,337</b>	<b>1,536</b>	

## Risks

### 1. Covid-19 Pandemic

- 1.1. The **Covid-19** continues to present significant risk and uncertainty to the LFB, but now primarily on future funding as progress continues to be made to ease restrictions.
- 1.2. The Brigade has incurred substantial additional costs in adapting the way it delivers its services, with for example, requirements for **additional PPE and cleaning**, although funding has now been provided to meet past costs and a sum is held in reserves for any further costs. The ongoing nature of the pandemic means that the risk of further additional costs remains.
- 1.3. The Brigade has also incurred additional costs as part of the **emergency services response** in London, in particular as part of the Ambulance Driver Assist (ADA) with the London Ambulance Service (LAS). These costs are however covered by a service agreement with the LAS, which provides for full cost recover.
- 1.4. Covid -19 has led to significant economic uncertainty. The impact of this is currently unclear, and so preparing forecasts for increases in general inflation remains difficult as progress continues to be made to ease restrictions.
- 1.5. **Additional funding** has been provided to offset these additional costs, including from the GLA and Home Office as well as cost recovery from the LAS.
- 1.6. Covid-19 is also impacting on funding uncertainty in the current and future years, as reflected in the Mayor's Budget Guidance for 2021/22, although some of the financial impact was eased in his Final Draft Consolidated Budget. Covid-19 is also impacting on the resources available to Government and this presents the risk of a negative outcome from future Spending Reviews.
- 1.7. The pandemic is painting a changing picture regarding Shut in Lift incident charges and the approach to cost recovery, including lift owners (which include a local authorities and housing associations) ability to pay charges, impacting on the level of outstanding debt, and changing numbers of attended SiL call outs.

### 2. Firefighter and Local Government Pension Schemes

- 2.1. There was a material increase in the cost of employer contributions for the existing firefighter pension schemes, following the **scheme valuation 2016**. That increase was assessed at £25m and is largely as a result of changes, by Government, to the discount rate used in valuing future liabilities. A grant of £22m has been provided to offset this pressure in 2019/20, 2020/21 and is also confirmed for 2021/22. This funding is expected to be confirmed as ongoing in the Spending Review from 2022/23.
- 2.2. The Fire Brigade Union notified LFC, along with 49 other Fire and Rescue Authorities (FRAs), of a **discrimination claim** in connection with the transitional arrangements applicable to the 2015 Firefighters Pension Scheme, as explained in FEP2506. The tribunal ruled in favour of the claimants. The Government and FRAs sought permission from the Supreme Court to appeal the Court of Appeal's decision, however, was denied, with the case returning to the Employment Tribunal for a remedy to be determined. The Government has consulted on options for the remedy and has now provided further advice on implementing the remedy from 2022. Work on this is still ongoing, to determine how to address key elements of the remedy and the financial, and other, implications for the LFC. The remedy is made more complex as it may need to address the issue on a range public sector pensions, including the LGPS.

### 3. London Pensions Fund Authority (LPFA) Pensions Administration

- 3.1. The London Pensions Fund Authority (LPFA) and Lancashire County Pension Fund have formed a strategic partnership and from April 2016 created a wholly owned company, **Local**

**Pensions Partnership** (LPP), to manage pension fund investment activities (only on the Local Government Pension Scheme (LGPS)) and also to provide pensions administration services, including to third party clients on the LGPS and the Firefighters' Pension Scheme (FPS). It was agreed (LFC-0361) that the LFC should continue the current shared service arrangement with the LPFA/LPP for the administration of the FPS. This allows continuity on the pensions administration through the very challenging period expected to implement the changes to the pension scheme on the remedy to the pensions case mentioned 1.2 above, as well as providing an opportunity for the LPP to embed its new business and costing model.

#### 4. Pay and Inflation

- 4.1. The Government restriction for the Covid-19 pandemic are now being eased there continues to be uncertainty on future impacts/waves of the virus, and this may result in high levels of sickness and/or self-isolation among all staff groups within the LFB. In order to maintain resilience in front line response, the LFB will need to maintain contingency arrangements to ensure adequate fire cover continues to be delivered across the organisation. This could potentially result in increased staff payments including overtime and recall arrangements, the potential use of the LFB's emergency fire crew contract and other financial pressures.
- 4.2. Work continues to address the impact of overtime costs, and changes required to address the drivers of the need for overtime.
- 4.3. LFC has made a budget provision for a 2% **pay award** for all staff in each of the next four years from 2022/23 to 2025/26. A 1.5% pay award is now proposed for all staff in the 2021/22 financial year, and if agreed by the LFC could result in savings against the budget provision.
- 4.4. Discussions are also taking place regarding a 2% pay award for all firefighters up to and including the rank of Group Commander to deliver an improved responder capability and safety by implementing an increased counter terrorism response. If agreed this will be from the 2022/23 financial year and will be considered as part of the budget process. Additional cost may also be incurred for equipment however which will be in the 2021/22 financial year and could potentially be funded from the Budget Flexibility Reserve.
- 4.5. From a Control perspective there is the potential move to a new shift system – identified in the budget return but this is subject to agreement from the trade unions (which is still being discussed). There is also money allocated through the Transformation Fund regarding the reconfiguration of the Control room (again identified in the budget return). In addition, there will be CoVID related impacts as more staff self-isolate and PAO is needed to plug any gaps.
- 4.6. **Transformation** -Insufficient budget when formal restructure occurs of current departments under transformation directorate (separate to transformation team funding).
- 4.7. **Draeger** – There is an ongoing procurement litigation risk with Draeger, and the potential risk of costs and award of damages are unknown at the stage.

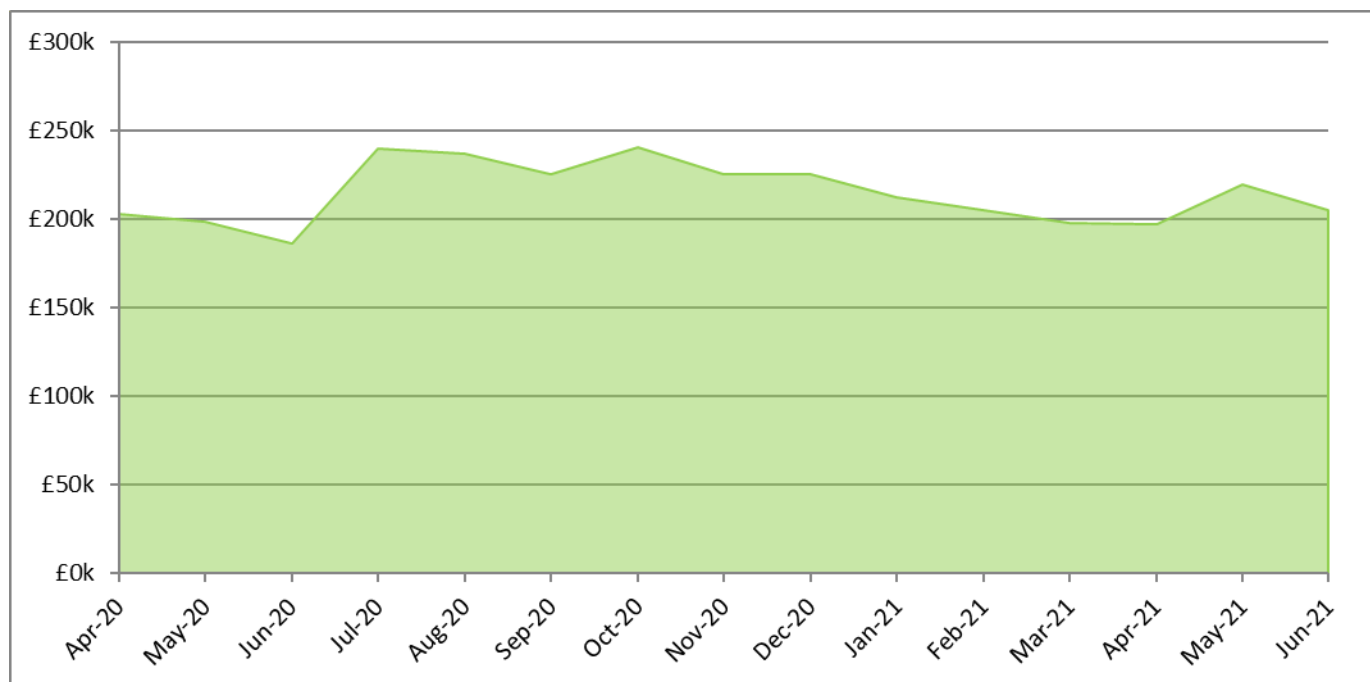
#### 5. Risks to Capital Expenditure and Financing

- 5.1. The capital programme is regularly reviewed and the associated risks to the programme are assessed throughout the year. Some risks are generic such as contractor default whilst other risks are specific to individual projects. Mitigating actions are adopted to reduce the risk occurring and to limit the impact of the risk, should it occur.
- 5.2. The capital budget is subject to change during the year. Initial project specification is key as it is important to keep variations to projects to a minimum, as change once a project has been

agreed and commenced may result in additional costs. However even a well-managed project can be subject to **re-phasing or deferral** due to a number of unforeseen issues, such as failure or default on the part of the contractor or exceptionally adverse weather conditions. This can also impact on funding requirements which in turn may have a debt charge (cost of borrowing) revenue impact.

- 5.3. All capital projects will require **third party collaboration** to varying degrees over the project life. The programme depends heavily on external factors and therefore can be subject to variation with the potential for delays in project delivery and revised cash flow requirements. The capital programme is managed on a monthly basis and all changes to the programme are reviewed and substitution projects or re-financing proposals are assessed and agreed.
- 5.4. The debt charges arising from the capital programme have been calculated using the current forecast Public Works Loans Board (PWLB) rates. No allowance has been made in the capital programme for potential future **capital grants or contributions** and the Brigade will bid for available capital resources as and when such opportunities arise.
- 5.5. The 2021/22 capital programme includes the **capital receipts** financing from the sale of the former fire station at Clerkenwell and the part disposal of 8 Albert Embankment. The sale of 8 Albert Embankment has been delayed and will impact on the financing of the capital programme and in additional borrowing and revenue costs which will be on a temporary basis until the sale is complete. The level of required borrowing will be dependent on the timing of the capital receipts and the level of actual capital expenditure incurred during the year.
- 5.6. A number of fire stations require major refurbishment/redevelopment which are not currently in the medium term capital programme. Should opportunities arise to relocate these fire stations funding may need to be requested/re-directed from other projects if deemed a priority.
- 5.7. **Replacement vehicles and equipment** - Key risks relate to the contractor sourcing appropriate vehicle build options within a timeframe that meets fleet replacement requirements, and which may in turn impact the LFC's cash flow. The forecast cash expenditure for 2020/21 and future years is based on the current assessment of the stage payment requirements for the pump replacement and aerial appliance replacement programme, which represents nearly 50% of the forecast Vehicles and Equipment expenditure in that period, and the delivery timings for the balance of the fleet replacement programme.
- 5.8. **Covid 19 and Funding** – The capital programme has been affected by the impact of Covid 19 in terms of delays on site works and equipment and vehicles deliveries. In addition, the impact on funding highlighted in paragraph 2.1 above is also likely to impact on the capital programme due to the lack of available funds to support the revenue costs arising from capital borrowing costs.
- 5.9. **Financial Markets Uncertainty** – This could impact on the interest costs of borrowing required to fund capital expenditure and on the cost of capital goods purchased from outside the UK.

The chart below shows the amount of outstanding LIFT debts, with £205k outstanding at the end of June 2021. The level of outstanding debt has been increasing due to an increase in the level of charges raised. Further work is being undertaken to confirm if this is an ongoing trend.



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	14,770	36
LONDON BOROUGH OF LAMBETH	12,189	30
ROYAL BOROUGH OF GREENWICH	11,208	27
PEABODY TRUST	10,399	25
SAINSBURYS SUPERMARKETS PLC	6,966	17
Grand Total	55,532	135

**Review of the top five debtors**

**A2 Dominion Homes Limited:**

Few outstanding invoices have now been referred to General Counsel for legal action and further reminder letters sent out for the rest of the outstanding invoices.

**London Borough of Lambeth:**

Nine outstanding invoices have been paid in last quarter. April and May invoices became outstanding which resulted Lambeth Borough rising to the top of the bad debtors last month. The remaining invoices have been regularly chased and payment is expected this month.

### **Royal Borough of Greenwich (RBG):**

RBG requested new PO number to match their outstanding records. The information has been provided together with letter requesting immediate payment and payment is expected.

### **Peabody Trust:**

Peabody settled three of the outstanding invoices in last quarter. Invoices from March (nine), April and May (five) have increased the debts from Peabody, putting them back on the list. The outstanding items have been regularly chased through reminders letters and over the phone.

### **Sainsbury Supermarkets PLC:**

Sainsbury responded to multiple reminders and asked if outstanding invoices can be settled over the phone by card, as its impossible to receive payments over the phone due to internal policies, copies of invoices have been forwarded and payment is expected.

**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>
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
Operational Policy	Operational Policy	Move Payments to Other Public Sector Bodies from P82 to P81 - should be sitting there	23/06/2021	£25,000
Operational Policy	Operational Policy	Move USAR Dog Grant to P86 - should be sitting there	23/06/2021	£28,400
Transformation reserve	Property	Merton LOC - Command Unit & Incident Command training suite	06/07/2021	£37,460
Training & Professional Development	Property	Command Unit Integration Project (CUIP)	07/07/2021	£70,000