

Report title

Financial Position as at the end of December 2019

Report to

Corporate Services DB
Commissioner's Board
Fire and Resilience Board

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Summary

This report presents the London Fire Commissioner's (LFC) financial position as at the end of December 2019 (Quarter 3) and provides information on financial performance against revenue and capital budgets.

Recommendation

That the Commissioner's Board:

1. Note the financial position as at the end of December 2019 :
2. Approve the reserve movements in Table 3; and
3. Approve the capital budget re-phasing of £2.2m to future years as detailed in the report.

Background

1. This report presents the current revenue and capital expenditure position for December 2019 and the forecast outturn position at March 2020.
2. All departments review their actual income and expenditure on a regular 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.

Tables and Appendices to this report

3. 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 changes to Capital Programme for 2019/20
- Table 3 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 2019 Budget Report;
- Appendix 4 discusses 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;
- Appendix 7 provides an update on expenditure approved in the Additional Resilience Requirements report (FEP2763).

Background to 2019/20 Budget

4. The 2019/20 budget was approved by the London Fire Commissioner's (LFC) on 27 March 2019 (LFC-0133-D) with a net revenue budget of £392.3m, being made up of net expenditure of £447.3m with £23.9k funding from earmarked reserves and £31.1m from specific grants.
5. This report sets out a summary position on both the revenue and capital budgets, and then provides more detailed explanations of variances.

Revenue

6. The forecast outturn position for 2019/20 on the revenue budget is for an underspend of £3,142k, which is (0.7%) of the net revenue budget. The forecast underspend at Quarter 2 of £1,040k has increased by £2,101k since last reported in November 2019 (LFC-0259). The main reasons for this movement are explained below.
7. The forecast outturn includes additional underspends of £2,101k and these additional underspends are mainly due to:
 - £1,289k following the Provisional Settlement agreed with our Insurers regarding reimbursement of our disclosure costs relating to Grenfell.
 - Additional one-off increase in other income including recovery from Babcock for ICT service charges of £226k relating to prior years that has been delayed pending a dispute and £235k due to successful negotiations with Mitie Energy for services not provided against contracts awarded for a project since 2009.
 - £423k on Capital Financing Costs including External Interest (£364k) following the repayment of debt with no additional borrowing and Debt Repayment (£58k) due to a reduction in planned capital expenditure and also borrowing being lower than anticipated.
 - £200k on Interest Receivable due to higher capital receipts balance - cash balances are being held at a higher level for longer than previously anticipated, and additional income from MFB and higher returns.

- Transport budgets £305k mainly due to abatements and a lower forecast cost of accident repairs (510k), offset by a forecast overspend on fuel budgets (£215k) due to the rise in fuel prices and an increase in average usage.
- £193k on FRS staff across a number of departments due to vacancies.
- And a revised forecast spend on Professional Services £152k due to Grenfell Legal costs.

8. The above underspends are offset by other movements in the forecast outturn due to additional spend on the following items:

- Clothing and Laundry £349k due to new firefighter trainees, promotional rounds.
- £464k on Building Maintenance due to an increase in the forecast overspend on the Reactive Building Fabric contract with both the demand for repairs and cost of repairs exceeding predictions.
- £133k on Energy Costs due to payment of disputed accounts for British Gas (BG) dating back to 2014. This follows work in validating invoices claimed to be outstanding by BG.

9. As previously reported, the remaining balance of the forecast outturn variance, now an underspend of £3,142k, also includes the following:

- income over recovery due to additional Metropolitan Fire Brigade (MFB) Act Income from insurance companies of £453k due to higher than expected returns from existing insurance companies;
- interest income of £480k, due to cash balances being held at a higher level for longer than previously expected, which in addition to the movement above results in an updated variance of £680k;
- an underspend of £400k on capital financing costs due to a reduction in capital expenditure and increased use of capital receipts, following the sale of the Southwark Training Centre site, which in addition to the movement above results in an updated variance of £823k;
- an underspend on travel, now revised £213k, mainly on reimbursements to staff for travel within the Ultra Lower Emission Zone (ULEZ) area being lower than budgeted with staff switching to other forms of travel to work, or using the loans scheme provided to purchase ULEZ compliant vehicles;
- an underspend of £172k on property rates, due to an anticipated exemption being achieved at the new Operational Support Centre whilst the site is being fitted out;
- an underspend on vehicle and equipment costs, of £136k, due to lower accident repair costs;

10. These underspends are offset by

- additional energy costs, of £473k, based on increases of about 17% in the electricity contract from April 2019 and 20% increase in gas based on notification received from the Crown Commercial Services;
- other pensions payments, of £137k, based on expected cost of not abating pensions for some Fire Safety Inspecting Officers .

11. The key variances are explained in more detail from paragraph 14 below.

12. Detailed explanations on the changes to the capital programme set out from paragraph 34 and in Appendix 2.

Table 1. Summary Financial Position

	Current Budget	Current Spend	Current Variance	Revised Budget	Forecast Outturn	Forecast Outturn Variance	Forecast Outturn Variance at Qtr. 2	Movement between variance figures
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Operational staff	201,258	208,061	6,803	270,131	268,947	(1,184)	(1,175)	(9)
Other staff	43,033	43,602	569	59,785	58,738	(1,046)	(854)	(193)
Employee related	20,691	19,045	(1,646)	22,240	22,887	646	784	(138)
Pensions	15,467	15,387	(81)	20,769	20,987	218	200	18
Premises	34,389	33,162	(1,227)	39,641	41,373	1,732	1,051	682
Transport	17,667	16,681	(986)	18,142	17,657	(485)	(273)	(212)
Supplies and services	25,322	28,590	3,269	29,738	31,883	2,145	1,720	425
Third party payments	1,639	(4,297)	(5,936)	2,055	2,163	107	106	1
Capital financing costs	7,498	7,479	(20)	9,775	8,952	(823)	(400)	(423)
Central contingency against inflation	0	0	0	123	(64)	(187)	(122)	(65)
Total revenue expenditure	366,965	367,709	744	472,400	473,523	1,124	1,036	88
Other income	(37,380)	(37,389)	(9)	(40,575)	(44,719)	(4,144)	(2,002)	(2,143)
Net revenue expenditure	329,585	330,321	735	431,825	428,804	(3,020)	(966)	(2,054)
Use of earmarked reserves	(291)	0	291	(4,155)	(4,155)	0	(0)	0
Financing Requirement	329,295	330,321	1,026	427,669	424,649	(3,020)	(966)	(2,054)
Financed by:								
Specific grants	(32,515)	(29,278)	3,237	(35,364)	(35,486)	(122)	(75)	(47)
GLA funding	0	0	0	(392,305)	(392,305)	0	0	0
Net Financial Position	296,780	301,043	4,262	0	(3,142)	(3,142)	(1,040)	(2,101)

Capital

13. The current capital forecast for 2019/20 is £31,418k which is £1,813k less than the revised budget of £33,231k (LFC-0259) reported as part of the Quarter 2 Financial Position.. The main changes in the programme are detailed below and the latest capital programme is provided in Appendix 2. Expenditure against the capital programme in 2019/20 will be fully funded through the use of capital receipts (£31.2m) and third party contributions (£0.2m).

14. Table 2 below shows the summary capital forecast position for 2019/20.

Table 2. Changes to Capital Programme for Forecast for 2019/20

Capital Budget 2019/20	Forecast Outturn at Quarter 2	Changes				Revised Forecast Outturn at Quarter 3
		Savings	Re-phased (to)/ from Later Years	Increased/ (Reduced) Forecast	Total	
ICT	2,569	(45)	(775)	0	(820)	1,749
Fleet	20,092	(11)	(382)	310	(83)	20,009
Property	10,570	(30)	(1,034)	33	(1,031)	9,539
Operational Policy	0	0	0	91	91	91
Communications	0	0	0	30	30	30
Capital Programme	33,231	(86)	(2,191)	464	(1,813)	31,418

Reasons for the Revenue Position

Staff

15. The budget for operational staff is forecast to underspend by £1,184k (0.4% of the Operational Staff budget) mainly due to vacancy levels. The average vacancies has increased slightly to 61 compared to the previously reported position of 58 at the end of September (Q2). As previously reported the revised forecast underspend includes the impact of an agreed backdated London Weighting claim (£2,822k) of 4.6% from July 2017 and 3.4% from July 2018 and an additional one off payment to consolidate London Weighting into basic pay. A 2% pay award has also been agreed from July for Operational and Control staff in line with budget estimates.
16. FRS staff budgets are forecast to underspend by £1,090k (2.0% of the FRS budget) mainly due to vacancies and in particular challenges in recruiting to Fire Safety Inspecting Officer posts. This underspend has increased by £193k due to vacancy levels remaining above forecast. As previously reported, the FRS staff budget includes an additional £1m vacancy margin to reflect the level of vacancies at the start of the year. This is in addition to the normal annual vacancy margin of £0.9m, for a total margin in 2019/20 of £1.9m.
17. Control staff are forecast to overspend by £44k due to overtime to cover vacancies. As previously reported six additional Control Officer posts were added to the establishment from April, funded from reserves and a growth bid for this has been included as part of the LFC Budget Submission to the Mayor.

Employee Related

18. As previously reported at Quarter 2, there is an additional overspend on Employee related budgets of £646k mainly due to the cost of additional firefighter development (FFD) training which has now been revised to £568k. This training has been taking place in order to reduce firefighter vacancies. The initiative to increase FFD training commenced in 2018/19, but some of the training has taken place in 2019/20. Specifically, these costs relate to additional FFD training at the Fire Service College, as well as larger class sizes for the London-based training (the class size was temporarily increased from 12 to 14 delegates).
19. Also as previously reported at Quarter 2, there is an overspend of £137k on other pension payments based on the expected cost of not abating pensions for some Fire Safety Inspecting Officers. This is offset by a revised £125k underspend due to medical and welfare budgets, resulting from a lower forecast number of childcare claims, medical appeals and drug and

alcohol tests in this financial year. £25k savings on medical and welfare have been incorporated into the 2020/21 Budget report.

Firefighter Pensions

20. Firefighter pensions budgets include expenditure on injury pensions, ill health top ups and sanction charges, and are forecast to overspend by £200k in 2019/20. The budget for ill health top up has been reduced significantly in recent years and is based on there being six ill health retirements, reflecting experience from the last few years. However, it is now forecast that there will be 17 ill health retirements in the current year, with 13 at the lower tier and four upper tier. The budget for 2020/21 includes an increase of £357k for ill health retirements.

Premises

21. Premises budgets are forecast to overspend by £1,732k, an increase in spend of £681k from the position reported at Quarter 2. This is due to £464k on building maintenance as a result of progress in delivering reactive work across the estate exceeding initial forecasts, £77k for the provision of security services at former Clerkenwell fire station due to the delay in completing the disposal of this site and £133k on Energy Costs due to payment of disputed accounts for British Gas dating back to 2014. This follows work in validating invoices claimed to be outstanding by BG, totalling £600k. BG were unable to provide valid evidence for the majority of the outstanding claims however, a total of £133k was accepted and settled.
22. As previously reported at Quarter 2, the remainder of the forecast overspend is due to energy costs of £473k based on increases of about 17% in the electricity contract cost and a 20% increase in gas based on notification received from the Crown Commercial Services. This is offset by a £172k underspend on rates due to an exemption being achieved at the new OSU whilst the site is being fitted out, and new rateable value for Dockhead fire station (backdated from April 2017) being assessed at a lower value than forecast.

Transport

23. Transport budgets are forecast to underspend by £485k, an increase in the underspend of £212k that was last reported. This is mainly due to the vehicle and equipment contract based on anticipated abatement levels (£384k) and a slightly lower increase to the previous forecast cost on accident repairs (34k). It is offset by a forecast overspend on fuel budgets of £215k due to continued high diesel prices, with pump prices up 13% compared to the same period in last year and an increase in average usage. It is also due to additional costs being incurred following the replacement of pumping appliances, with the new Euro 6 engines requiring Ad-Blue fluid to manage emissions. £177k savings on vehicle and equipment contract and £27k on vehicle passthroughs has been incorporated into the 2020/21 Budget report.
24. As previously reported at Quarter 2, the remainder of the underspend relates to the previously forecast underspend on the vehicle and equipment contract (£182k) based on anticipated abatement levels, on vehicle passthroughs (£213k) due to lower accident repairs and on reimbursements to staff for travel within the Ultra Lower Emission Zone (ULEZ) area being lower than budgeted. This is because of staff switching to other forms of travel to work or taking up loans provided for staff to purchase ULEZ compliant vehicles.

Supplies and Services

25. There is a forecast overspend, of £2,145k, on Supplies and Services budgets, which is an increase in the forecast spend of £425k from Quarter 2. The additional spend is mainly on clothing and laundry (£349k) due to new firefighter trainees and promotional rounds, and £156k on Operational Equipment mainly due to increases in replacement parts required to

maintain Breathing Apparatus (BA). This is due to the age of the kit which has been in service for about 10 years and it should be noted that a project is ongoing to review and replace this equipment. There is also an increase in the number of facemasks being replaced, together with a small increase in replacement of defective batteries for telemetry equipment.

26. As previously reported, there is an overspend on Professional Service budget in respect of Legal Costs. This is due to the Grenfell Tower Investigation where the expected costs have now been revised to £1,002k. This is offset by additional forecast income from insurers. The forecast overspend on Communications has now been revised down by £143k to £494k due to increased capacity on the Core Network, internet connectivity and increased maintenance cost due to the revised timetable for the replacement of the Fireground radios following a review to the requirements of the Respiratory Protective Equipment (RPE) project.

Capital Financing

27. There is an underspend of £823k on capital financing costs, an increase of £423k since last reported due to External Interest (£364k) following the repayment of debt with no additional borrowing and Debt Repayment (£58k) due to a reduction in planned capital expenditure.
28. As previously reported, the remaining balance of the forecast underspend of £400k on capital financing costs is due to a reduction in capital expenditure and increased use of capital receipts, following the sale of the Southwark Training Centre site.

Income

29. Income budgets are forecast to over recover by £4,144k. There is an additional increase in income of £2,143k since last reported at Quarter 2 mainly due to the £1,289k provisional settlement agreed with our Insurers regarding reimbursement of our disclosure costs relating to Grenfell in the current and also previous years. The additional one-off increase in other income is due to the settlement of Babcock ICT service charges of £226k relating to prior years that had been in dispute, with a further £235k due to successful negotiations with Mitie Energy for services not provided against contracts awarded for a project since 2009. There is also an additional £200k on Interest Receivable due to a higher capital receipts balance - cash balances are being held at a higher level for longer than previously anticipated. This follows a revised analysis of the likely outturn position including the latest estimates from the GLA under the shared service arrangement.
30. As previously reported at Quarter 2, the remainder of the over recovery in income includes Metropolitan Fire Brigade (MFB) Act Income from insurance companies (£453k) following higher than expected returns from existing insurance companies (savings of £420k savings on MFB income have been incorporated into the 2020/21 Budget submission); and interest income of £300k, as cash balances are being held at a higher level for longer than previously expected. There is also an over recovery on customer and client receipts (£754k) mainly due income expected from the insurers to reimburse the Legal costs of the Grenfell Tower Investigation and additional £295k income as a result of Operational Resilience staff seconded to the Cabinet Office, Royal Borough of Kensington and Chelsea and Babcock. This is alongside additional training income for running smoke filled environment and National Inter-agency Liaison Officer (NILO) courses.
31. Appendix 5 includes an update on the position on outstanding shut in lift debt showing an increase in debts due to increased number of incidents, with £180k outstanding at the end of December 2019.

Position on Reserves

32. Based on the forecast financial position, the forecast balance on the general reserve is £17,641k. This is £2,527k above the minimum general reserve position of £15,114k, which is 3.5% of the revised net revenue expenditure for 2019/20. It is planned that any excess balance on the general reserve will be transferred to the Budget Flexibility Reserve, which was set up to support the budget position in future financial years, at the year end. Table 3 below sets out the position on the financial reserves.

Table 3. Position on Reserves

£000s	Opening Balance at 01/04/19	Approved Movements in Q4 18/19	Approved Movement to Qtr.1	Transfer Between Reserves	Proposed Use of Reserves	Anticipated Balance at 31/03/20
Additional Resilience Requirements	767	68	(337)		124	622
Capital Expenditure Reserve	11,745					11,745
Central Programme Office	0	250	542		(45)	746
Community Safety Investment Fund	0	11	(11)			0
Compensation	1,000		(250)		(463)	287
Emergency Services Mobile Communication Programme	1,928	345	(99)			2,174
Emergency Medical Response	294					294
Fire Safety and Youth Engagement	715	273	42		(23)	1,007
HMICFRS inspection regime	21	65	(63)		(22)	0
Hydrants	462		(95)			367
ICT Development Reserve	1,851	150	(208)		160	1,953
LFC Control Centre	959		(209)	(21)		729
LFB Museum Project	210		(70)			140
London Resilience	1,015	38	(150)	(38)	(94)	771
London Safety Plan Initiatives	4,178	76	(499)		(56)	3,699
New Governance Arrangements	0	148		(148)		0
Organisational Reviews	505	316	(355)	(51)	(88)	327
Recruitment/ Outreach	370			(120)		250
Sustainability	235		(235)		235	235
Vehicle & Equipment Reserve	2,865	244	(1,965)	(187)	546	1,502
Budget Flexibility	23,110	7,287	(467)			29,930
General	23,204	(9,271)	(1,325)	566	4,467	17,641
Total	75,434	0	(5,754)	0	4,741	74,420

33. As previously reported at Quarter 2, the reserves table above includes a transfer back into the Vehicle & Equipment reserve of £546k and the Sustainability reserve of £235k as costs are now expected to be incurred in 2020/21, £124k on Additional Resilience Requirements due to a reduction in forecast one off training costs and £160k on the ICT development reserve due to revised forecasts for spend on this budget.
34. Following a review of the remaining reserve balances, £566k has also been transferred back into the general reserve made up of:

- £187k from the Vehicle & Equipment reserve. This is the expected balance remaining after the completion of the chargepoints installation project.
- £148k from the New Governance reserve, £120k from the Outreach reserve and £38k from the London Resilience reserve for the flood response project as all these projects are now completed, and no further funding is required.
- £51k from the Organisational Review reserve as the funding for the training review has been contained within existing budgets.
- £21k from the Control reserve, as actual costs of temporarily increasing the Control establishment are slightly less than originally forecast.

35. As previously reported at Quarter 1, the table above includes £4,429k of planned draws on other earmarked reserves. There is additional use of reserves of £45k from Central Programme Office, £463k on Compensation reserve to fund recent developments in mesothelioma cases, £56k from the London Safety Plan reserve to fund the blue light secondary schools project, £88k from the Organisational Review reserve to fund the Role to Rank project costs, £22k to fund the project team working on the Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection past the original September end date, £23k to fund Fire Safety and Youth Engagement and £94k from London Resilience to fund the costs for the replacement of the IT hardware on the eight existing Command Support Units.

36. The forecast movement on the reserves in 2019/20 was included as part of the Budget Report 2019/20, 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 2020 presented in the Q1 financial position report and the revised forecast balance included in this report, with explanations of any variances. The forecast balance in reserves has increased from £69,680k to £74,420k, an increase of £4,741k largely as a result of the increase in the general reserve due to the movement in the outturn forecast.

37. It should also be noted that consideration is being given to using the surplus of £2,527k above the stated minimum general reserve position, to establish a new Transformation Reserve. If agreed this reserve will then be used to support the Brigade's Transformation Delivery Plan. An update on this will be included as part of the final 2020/21 Budget Report.

Capital

38. The original budget for the 2019/20 capital programme was £40,876k, as per the Capital Strategy (LFC-0134) report. The budget was revised down to £38,988k as part of the 2018/19 financial year outturn which was reported in LFC-0179, and then revised down to £33,231k as at the end of September (Q2) reported in November (LFC-0259).

39. The current capital forecast for 2019/20 is £31,418k which is £1,813k less than the revised budget of £33,231k (LFC-0259) reported as part of the Quarter 2 Financial Position. The main changes in the programme are detailed below and a full explanation of the changes are detailed in appendix 2.

• Budget re-phased to 2020/21	(£2,191k)
• Budget savings	(£86k)
• Increases/reductions to budgets	£464k
Total	(£1,813k)

Re-phased project budgets (£2,191k)

40. Four ICT projects have been re-phased, with expenditure now expected in 2020/21 rather than this financial year (£780k). These include Virtual Desktop Technology (£250k), Wireless Access points (£150k), Finance, HR and Payroll Systems (£300k), and Farynor (£80k) system replacements. The reasons for this slippage are:

- Virtual desktop project has slipped due to a revised approach and change to the base operating system that has added a six month delay. (£250k)
- A challenge to the procurement outcome for the wireless access points project has delayed the project initiation and whilst hardware should still be purchased in this financial year, the deployment will now run into next financial year. (£150k)
- Following the unsuccessful tender for a consultant to produce a specification for the Finance, HR and Payroll systems all of these projects are now not going to incur costs in 2019/20. (£300k)
- The Farynor replacement has been pushed back due to a change in scope with the move to the One Risk project substantially changing the project. (£80k)
- There are no changes to the total cost of these projects.

41. Forecast spend on the new Training Centre in 2019/20 has reduced by £426k. The project is now programmed to commence in mid-2020 with the new facility to be ready for training in late 2021 or early 2022. This timetable accords with the programme for the Operations Support Centre project, which is responsible for PEG's move out of their current Croydon site (which is a dependency of the LFB Training Centre Croydon project).

42. Approval to proceed with the roofing replacement project at Clapham Fire Station was given in early December 2019. The start on site is expected to be in early 2020 the budget has been rephased in line with this. The forecast expenditure this financial year has been reduced resulting in additional project slippage of £182k into 2020/21.

43. Following approval to proceed with the windows replacement at Chingford in early December, window surveys and drawings are being undertaken in order to commence manufacturing in mid-February 2020, with site installation due to commence in early April. Expenditure this financial year is confined to site set up costs and installation of ductwork therefore £133k has been re-profiled to 2020/21. Other projects have also slipped and the total slippage on window replacements is £156k.

44. Further budget slippage has occurred on appliance bay door replacements (£155k) at Paddington and Soho Fire Stations. The appointed contractors have advised there will be a 19 to 20 weeks lead-in period for manufacture of the doors prior to the 12 weeks construction period. This puts the estimated start on site dates for these projects back to March and April 2020 respectively. The forecast expenditure this year for these projects will consist of fees only. These costs have been slipped to 2021/22.

45. Expenditure against the minor improvement programme has reduced by £115k in 2019/20. Returned tender prices for toilet and shower refurbishment projects at Feltham and Southall Fire Stations were less than pre tender estimates resulting in a reduction of £124k to the 2019/20 minor improvements outturn forecast and this budget will be transferred to 2020/21. This is offset by a slight increase to other costs under the minor improvements programme.

46. Forecast spend on the replacement of fleet and other vehicles has reduced in 2019/20 by £223k from the previous forecast largely due to the delay in purchasing five USAR vehicles, which has

been slipped to 2020/21. There is no operational impact of the delay as there are compliant vehicles currently in operation and will be until the new vehicles arrive.

Savings (£86k)

- 47. Savings have been achieved on the project to upgrade the operating system, (£45k), the workplace improvement plan (£18k, asbestos survey and removal project (£10k), various Fleet equipment budgets (£11k) and a small saving on a Property scheme of (£2k),

Increase to project spend £464k

- 48. Fleet equipment spend has increased by £101k in 2019/20 due to additional spend on smoke blockers £68k, low pressure hose attachments £17k and new equipment for youth intervention teams £16k. These costs are all funded from revenue contributions and the Mayor's cadet funding.
- 49. Additional costs included for the vehicle replacement are for Ladder Enhancements £15k and Combi Cutter Stowage on appliances £153k.
- 50. CCTV budget £133k has increased in 2019/20 as the approved project budget for this expenditure had not previously been included in the forecasts.
- 51. Forecast spend in 2019/20 has increased on the Fire Station rewiring. These are minor increases to project costs following completion of the tender evaluation reporting process for Heating replacements at Acton & Surbiton £24k and rewire projects at E Greenwich, Hainault and Richmond 27k. The actual additional costs will be funded from a reduction on the budget for 2020/21 therefore there will be no overall increase to the capital budgets.
- 52. The forecast spend on the Lambeth River Station redevelopment has been re-phased with an increase of £11k in 2019/20, £1,189k in 2020/21 and a reduction of £1,200k in 2021/22. This is to align budgets with the current key project milestones with completion in January 2021.
- 53. The table below shows a summary of the movements since the Quarter 2 Financial Position 2019/20 (LFC-0259) and the impact on the capital budget in future years. Changes to future years budgets will be reported as part of the next update to the capital strategy in March 2020.

	2019/20 Forecast £k	2020/21 Budget £k	2021/22 Budget £k	2022/23 Budget £k	2023/24 Budget £k	Total
Capital Forecast Quarter 2	33,231	51,058	28,886	14,408	15,339	
Slippage of ICT projects	(775)	780	(5)	0	0	0
Slippage of Property projects	(1,034)	(6,164)	2,984	4,214	0	0
Reprofiling of Vehicle Expenditure	(382)	(2,257)	2,639	0	0	0
Respiratory Protective Equipment (BARRIE)	0	(5,000)	5,000	0	0	0
Communication	0	80	(80)	0	0	0
Wireless Access Points	(45)	0	0	0	0	(45)
Workplace Improvement Plan (WIP) Union Street	(18)	0	0	0	0	(18)
Brigade wide Survey for Asbestos & Removal	(10)	0	0	0	0	(10)
Vehicle Replacements (Vans)	(10)	0	0	0	0	(10)
Bromley FS - Refurbishment	(2)	0	0	0	0	(2)
Heating at various stations	24	0	0	0	0	24
Rewiring of property at various fire stations	27	0	0	0	0	27
Lambeth River Station Redevelopment	11	0	0	0	0	11
Operations Support Centre Project (IELP)	0	197	0	0	0	197
CCTV on Pumping Appliances	133	0	0	0	0	133
Replacement of Fleet Associated Equipment	100	0	0	0	0	100
Replacement of Fleet and other Vehicles	168	0	0	0	0	168
New Estate Bids	0	(35)	8,496	4,125	(285)	12,301
New ICT Bids	0	(1,488)	560	560	434	66
New Vehicles and Equipment Bids	(0)	1,289	975	26	42	2,332
Capital Forecast Quarter 3	31,418	38,460	49,455	23,333	15,530	15,274

Debtors

1. An analysis of debtors relating to Shut in Lift is provided in Appendix 5. This includes a chart that shows the decrease in Shut in Lift debts over the past 18 months of shut in lift charges. The total number of shut in lift debts has been falling gradually over the last two years, after its peak, with the overall balance reduced from £300k at the end of September 2015 to £98k at the end of June 2019 (Quarter 1). Outstanding shut in lift debt has then increased to £180k as at the end of December 2019 (Quarter 3) due to increased number of incidence.

Additional Resilience Requirements

2. Appendix 7 provides detailed information on the additional resourcing costs agreed (FEP2763) following the Grenfell Tower fire and terrorist incidents in 2017. This includes the forecast spend for 2019/20 and the budget requirement for 2020/21 and future years.

Finance comments

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

Workforce comments

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

Legal comments

5. 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.
6. 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.
7. 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

8. There are no direct sustainable implications.

Equalities implications

9. This The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when exercising our functions and taking decisions.
10. It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
11. The protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour or nationality), Religion or belief (including lack of belief), Sex, and Sexual orientation.
12. The Public Sector Equality Duty requires us, in the exercise of all 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.
13. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a)remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
 - (b)take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

14. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
15. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—
 - (a) tackle prejudice, and
 - (b) promote understanding.
16. Consultation with the Inclusion Team has taken place with regard to this financial position. The outcomes have been considered when coming to the conclusions in this report. There are no direct equality impacts arising from this statement of financial position, however a full equality impact assessment has been undertaken on the 2020/21 budget proposals and will be considered in light of savings proposals on an individual basis.

List of Appendices to this report

1. Detailed Financial Position
2. Capital Programme 2019/20
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
7. Additional Resilience Requirements

Consultation

Name/role	Method consulted
Heads of Department	Departmental finance returns

Appendix 1 – Detailed Financial Position

	Current Budget	Current Spend	Current Variance		Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance		Forecast Outturn Variance at Qtr.2	Movement between previous and outturn variance
	£	£	£	%	£	£	£	£	%	£	£
Operational Staff	199,612,386	205,998,792	6,386,406	3.2%	270,798,421	267,936,608	266,469,220	(1,467,388)	(0.5%)	(1,401,449)	(65,938)
Trainee Firefighters	1,645,801	2,062,095	416,294	25.3%	1,590,569	2,194,401	2,478,094	283,693	12.9%	226,261	57,432
Total Operational Staff	201,258,187	208,060,887	6,802,700	3.4%	272,388,990	270,131,009	268,947,314	(1,183,695)	(0.4%)	(1,175,188)	(8,506)
FRS Staff	38,900,044	39,486,081	586,036	1.5%	53,080,258	54,267,871	53,177,726	(1,090,145)	(2.0%)	(897,581)	(192,564)
Control Staff	4,133,035	4,115,559	(17,476)	(0.4%)	5,299,147	5,516,689	5,560,689	44,000	0.8%	44,000	0
Total Other Staff	43,033,079	43,601,640	568,561	1.3%	58,379,405	59,784,560	58,738,415	(1,046,145)	(1.7%)	(853,581)	(192,564)
Other Pension Payments	660,000	680,382	20,382	3.1%	880,000	880,000	1,017,000	137,000	15.6%	137,000	0
Severance	6,045	39,351	33,306	551.0%	0	8,060	8,060	0	0.0%	0	0
Professional Development	17,151,520	17,498,942	347,421	2.0%	18,353,950	17,746,408	18,314,773	568,365	3.2%	674,606	(106,241)
Recruitment	102,725	74,137	(28,588)	(27.8%)	181,159	136,967	141,502	4,535	3.3%	4,535	0
Employee Related Insurance	215,000	258,389	43,389	20.2%	215,000	215,000	276,777	61,777	28.7%	61,777	0
Compensation	1,067,277	(1,032,421)	(2,099,698)	(196.7%)	805,814	1,268,731	1,268,731	0	0.0%	0	0
Medical and Welfare Expenses	1,488,811	1,526,261	37,450	2.5%	2,279,081	1,985,081	1,859,709	(125,372)	(6.3%)	(93,872)	(31,500)
Total Employee Related	20,691,379	19,045,042	(1,646,337)	(8.0%)	22,715,004	22,240,247	22,886,552	646,305	2.9%	784,046	(137,741)
Firefighter Pension Scheme	15,467,445	15,386,892	(80,553)	(0.5%)	20,769,276	20,769,276	20,987,296	218,020	1.0%	200,020	18,000
Building Maintenance	7,014,481	6,018,148	(996,333)	(14.2%)	8,512,832	8,761,350	9,847,351	1,086,001	12.4%	622,002	463,999
Grounds Maintenance	84,730	73,184	(11,546)	(13.6%)	120,984	120,984	120,984	0	0.0%	0	0
Premises Security	547,752	651,177	103,425	18.9%	547,752	547,752	669,752	122,000	22.3%	45,000	77,000
Energy Costs	1,330,660	1,722,793	392,133	29.5%	2,271,205	2,271,205	2,877,205	606,000	26.7%	473,000	133,000
Rents	7,931,742	8,045,100	113,358	1.4%	8,256,016	8,282,856	8,343,974	61,118	0.7%	61,298	(180)
Property PFI Contract	5,635,202	5,650,979	15,776	0.3%	5,635,202	5,635,202	5,635,202	0	0.0%	0	0
Property Rates	7,442,672	7,052,052	(390,620)	(5.2%)	8,936,853	8,795,117	8,622,785	(172,332)	(2.0%)	(172,332)	0

Appendix 1 – Detailed Financial Position

	Current Budget	Current Spend	Current Variance		Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance		Forecast Outturn Variance at Qtr.2	Movement between previous and outturn variance
	£	£	£	%	£	£	£	£	%	£	£
Water & Sewerage Rates	182,432	176,569	(5,863)	(3.2%)	271,515	271,515	271,515	0	0.0%	0	0
Fixtures & Fittings	65,977	60,976	(5,001)	(7.6%)	97,969	87,969	97,969	10,000	11.4%	0	10,000
Cleaning and Domestic Supplies	1,393,340	1,381,553	(11,786)	(0.8%)	2,101,297	2,065,597	2,063,597	(2,000)	(0.1%)	0	(2,000)
Premises Insurance	289,800	331,010	41,210	14.2%	322,000	322,000	340,000	18,000	5.6%	18,000	0
Other Property Services	2,470,381	1,998,563	(471,818)	(19.1%)	2,573,583	2,479,247	2,482,830	3,583	0.1%	3,583	0
Total Premises	34,389,168	33,162,104	(1,227,064)	(3.6%)	39,647,207	39,640,793	41,373,163	1,732,370	4.4%	1,050,551	681,819
Running Costs	2,416,464	2,559,470	143,006	5.9%	2,486,164	2,486,164	2,757,823	271,659	10.9%	56,879	214,780
Vehicle and Equipment Contract	11,268,913	11,321,827	52,914	0.5%	11,282,867	11,261,224	10,831,075	(430,149)	(3.8%)	(46,185)	(383,964)
Vehicle Passthroughs	769,218	634,125	(135,093)	(17.6%)	658,889	784,469	616,190	(168,279)	(21.5%)	(135,588)	(32,691)
Maintenance and Repairs	1,235,000	39,918	(1,195,082)	(96.8%)	2,200,000	1,235,000	1,235,000	0	0.0%	0	0
Contract Hire & Operating Leases	1,083,059	1,298,432	215,373	19.9%	1,157,462	1,153,263	1,208,003	54,740	4.7%	42,978	11,762
Travel	893,987	827,008	(66,980)	(7.5%)	975,583	1,221,981	1,008,519	(213,462)	(17.5%)	(191,493)	(21,969)
Total Transport	17,666,641	16,680,779	(985,861)	(5.6%)	18,760,965	18,142,101	17,656,610	(485,491)	(2.7%)	(273,409)	(212,082)
Hydrants	497,404	1,174,833	677,429	136.2%	496,055	523,204	523,204	(0)	(0.0%)	0	(0)
Operational Equipment	1,267,467	1,602,410	334,943	26.4%	2,767,692	1,625,059	1,827,916	202,857	12.5%	46,192	156,665
Smoke Alarms	439,979	516,295	76,316	17.3%	700,000	586,638	536,639	(49,999)	(8.5%)	1	(50,000)
Equipment Furniture and Materials	283,372	388,400	105,028	37.1%	294,441	367,815	419,737	51,922	14.1%	48,599	3,323
Lost & NFWT Operational Equipment	116,871	133,938	17,067	14.6%	116,871	116,871	85,000	(31,871)	(27.3%)	0	(31,871)
Catering	262,030	237,625	(24,405)	(9.3%)	303,636	337,436	329,526	(7,910)	(2.3%)	(1,165)	(6,745)
Clothing & Laundry	3,205,435	3,929,557	724,122	22.6%	3,271,629	3,484,897	3,861,717	376,820	10.8%	27,681	349,139
General Office Expenses	553,652	568,917	15,266	2.8%	619,245	716,444	687,976	(28,469)	(4.0%)	(19,222)	(9,247)
Professional Services	9,488,714	9,155,444	(333,270)	(3.5%)	9,615,198	10,097,414	10,883,891	786,477	7.8%	899,117	(112,640)
Postal Services	45,261	68,655	23,394	51.7%	61,055	61,055	61,089	34	0.1%	0	34

Appendix 1 – Detailed Financial Position

	Current Budget	Current Spend	Current Variance		Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance		Forecast Outturn Variance at Qtr.2	Movement between previous and outturn variance
	£	£	£	%	£	£	£	£	%	£	£
Communications	3,007,603	3,624,097	616,494	20.5%	3,982,950	4,045,118	4,539,439	494,321	12.2%	637,581	(143,260)
Hardware and Software	5,443,083	6,385,111	942,028	17.3%	6,345,135	6,911,324	7,192,279	280,955	4.1%	11,517	269,438
Staff Reimbursements	182,035	177,202	(4,833)	(2.7%)	248,721	242,721	242,721	0	0.0%	0	0
Grants and Subscriptions	154,328	216,873	62,544	40.5%	205,771	205,771	253,828	48,057	23.4%	48,935	(878)
Other Insurance	250,000	266,394	16,394	6.6%	250,000	250,000	266,394	16,394	6.6%	16,394	0
Advertising	86,896	71,912	(14,983)	(17.2%)	105,861	115,861	121,238	5,377	4.6%	4,480	897
Other Supplies and Services	37,627	72,642	35,015	93.1%	45,170	50,170	50,108	(62)	(0.1%)	(577)	515
Total Supplies and Services	25,321,757	28,590,306	3,268,549	12.9%	29,429,429	29,737,799	31,882,702	2,144,903	7.2%	1,719,534	425,369
Other Agencies	333,097	304,574	(28,524)	(8.6%)	321,700	333,097	333,097	0	0.0%	0	0
Other Local Authorities	1,219,744	1,218,871	(873)	(0.1%)	1,406,894	1,633,594	1,741,610	108,016	6.6%	106,657	1,359
Audit & Bank Charges	86,200	(5,820,543)	(5,906,743)	(6852%)	88,600	88,600	88,000	(600)	(0.7%)	(600)	0
Total Third Party Payments	1,639,041	(4,297,099)	(5,936,140)	(362.2%)	1,817,194	2,055,291	2,162,707	107,416	5.2%	106,057	1,359
Debt Repayment	5,898,453	5,898,453	0	0.0%	6,357,000	6,357,000	5,898,453	(458,547)	(7.2%)	(400,000)	(58,547)
External Interest	1,600,000	1,580,229	(19,771)	(1.2%)	3,418,000	3,418,000	3,054,000	(364,000)	(10.6%)	0	(364,000)
Total Capital Financing Costs	7,498,453	7,478,682	(19,771)	(0.3%)	9,775,000	9,775,000	8,952,453	(822,547)	(8.4%)	(400,000)	(422,547)
Budget for Non Staff Inflation	0	0	0	0.0%	0	0	0	0	0.0%	0	0
Central Contingency	0	0	0	0.0%	100,841	(22,692)	1	22,692	(100.0 %)	22,692	0
Savings to Be Achieved	0	0	0	0.0%	(173,287)	(146,732)	(73,861)	72,871	(49.7%)	71,891	980
Savings done by DA	0	0	0	0.0%	120,997	292,871	10,000	(282,871)	(96.6%)	(216,917)	(65,955)
Contingency	0	0	0	0.0%	48,551	123,448	(63,860)	(187,308)	(151.7 %)	(122,334)	(64,974)

Appendix 1 – Detailed Financial Position

	Current Budget	Current Spend	Current Variance		Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance		Forecast Outturn Variance at Qtr.2	Movement between previous and outturn variance
	£	£	£	%	£	£	£	£	%	£	£
Total revenue expenditure	366,965,150	367,709,233	744,083	0.2%	473,731,021	472,399,523	473,523,351	1,123,828	0.2%	1,035,696	88,133
MFB Act Income	(29,137,291)	(29,593,415)	(456,124)	1.6%	(29,137,291)	(29,137,291)	(29,593,415)	(456,124)	1.6%	(453,081)	(3,043)
Customer and Client Receipts	(8,082,450)	(7,154,786)	927,664	(11.5%)	(9,008,762)	(11,117,627)	(14,135,959)	(3,018,332)	27.1%	(1,068,427)	(1,949,905)
Interest Receivable	(160,000)	(653,658)	(493,658)	308.5%	(320,000)	(320,000)	(1,000,000)	(680,000)	212.5%	(480,000)	(200,000)
Bad Debts	0	13,279	13,279	0.0%	0	0	10,382	10,382	0.0%	0	10,382
Total Other Income	(37,379,740)	(37,388,581)	(8,840)	0.0%	(38,466,052)	(40,574,918)	(44,718,992)	(4,144,074)	10.2%	(2,001,508)	(2,142,566)
Net revenue expenditure	329,585,409	330,320,652	735,243	0.2%	435,264,969	431,824,605	428,804,360	(3,020,246)	(0.7%)	(965,812)	(2,054,434)
Use of Earmarked Reserves	(290,513)	0	290,513	(100.0%)	(12,401,066)	(4,155,354)	(4,155,354)	0	(0.0%)	0	(0)
Financing Requirement	329,294,896	330,320,652	1,025,756	0.3%	422,863,903	427,669,252	424,649,006	(3,020,246)	(0.7%)	(965,812)	(2,054,434)
Financed by:											
Specific grants	(32,514,552)	(29,278,046)	3,236,506	(10.0%)	(31,608,903)	(35,364,170)	(35,485,720)	(121,550)	0.3%	(74,683)	(46,867)
GLA Grant	0	0	0	0.0%	(391,255,000)	(392,305,082)	(392,305,082)	0	0.0%	0	0
Net Financial Position	296,780,345	301,042,607	4,262,262	1.4%	0	0	(3,141,796)	(3,141,796)	0.0%	(1,040,495)	(2,101,301)

Appendix 2 – Detailed Financial Position

Future Capital Budget	2019/20	2020/21	2021/22	2022/23	2023/24
Estates	9,539	13,311	25,620	14,580	8,965
Fleet and Equipment	20,009	18,018	12,885	2,302	42
ICT	1,749	3,851	4,830	5,299	6,523
Operational Policy Equipment	91	3,200	5,000	0	0
Communications	30	80	1,120	1,152	0
TOTAL	31,418	38,460	49,455	23,333	15,530

Capital Funding	2019/20	2020/21	2021/22	2022/23	2023/24
Capital Receipts	(31,213)	(36,337)	(13,939)	(23,000)	0
Grants	(205)	0	0	0	0
Charitable Contribution	0	(2,123)	0	0	0
External Borrowing	0	0	(35,516)	(333)	(15,530)
TOTAL FUNDING	(31,418)	(38,460)	(49,455)	(23,333)	(15,530)

	2019/20	2020/21	2021/22	2022/23	2023/24
Capital Receipts c/fwd	(30,018)	(11,276)	(13,939)	0	0
Receipts received in year	(12,470)	(39,000)	0	(23,000)	0
Financing	31,213	36,337	13,939	23,000	0
Capital Receipts Balance	(11,276)	(13,939)	0	0	0

Borrowing Levels	2019/20	2020/21	2021/22	2022/23	2023/24
External Borrowing	60,725	55,725	88,137	84,538	98,068
Finance Leases	64,047	62,711	61,336	59,893	58,335
TOTAL	124,772	118,436	149,473	144,431	156,403
Operational Borrowing Boundary	220,000	225,000	240,000	240,000	240,000
Authorised Borrowing Limit	225,000	230,000	245,000	245,000	245,000

Appendix 2 – Detailed Financial Position

	Project Timing Risk	2019/20 Actuals	2019/20 Budget Q1	2019/20 Forecast Q3	Variance	2019/20 Budget Q2	Movement	Comments
		£k	£k	£k	£k	£k	£k	
ICT								
Business Intelligent Solution	Green	107	454	384	(70)	379	5	reprofile
Control & Mobilisation System (CAMS)	Amber	(336)	100	100	0	100	0	
Farynor Replacement	Green	0	100	20	(80)	100	(80)	reprofile
ICT – Virtual Desktop Technology	Amber	0	250	0	(250)	250	(250)	reprofile
Mobile Data Terminals Replacement	Green	0	71	71	0	71	0	
Multi Agency Incident Transfer (MAIT)	Red	0	195	195	0	195	0	
Netscaler Replacement	Green	0	200	73	(127)	73	0	
New computer terminals - Fat Client	Green	0	100	0	(100)	0	0	
New Finance System	Green	0	100	0	(100)	100	(100)	reprofile
New Payroll & HR System	Green	0	200	0	(200)	200	(200)	reprofile
New telephone system equipment	Green	0	150	150	0	150	0	
Performance and Administration Management Solution (PAMS)	Green	0	215	0	(215)	0	0	
Upgrade Operating System	Amber	0	98	53	(45)	98	(45)	saving
Wireless Access Points	Green	0	853	703	(150)	853	(150)	reprofile
ICT Total		(229)	3,086	1,749	(1,337)	2,569	(820)	
Estates								
Appliance Bay Doors (Phase 3)	Amber	225	1,002	458	(544)	613	(155)	reprofile
Brigade wide Survey for Asbestos & Removal	Green	11	50	20	(30)	30	(10)	saving
Bromley FS – Improvements	Green	0	0	(2)	(2)	0	(2)	saving
Development costs	Green	1	0	1	1	0	1	increase
Heating at various stations	Green	11	1,634	499	(1,135)	475	24	increase
Lambeth River Station Redevelopment	Green	0	100	61	(39)	50	11	reprofile
LFB Training Centre, Croydon	Green	319	381	613	232	1,039	(426)	reprofile
Minor Improvement Programme	Green	95	2,164	2,118	(46)	2,233	(115)	reprofile
Operations Support Centre Project (IELP)	Green	2,536	3,980	3,980	0	3,980	0	

Appendix 2 – Detailed Financial Position

	Project Timing Risk	2019/20 Actuals	2019/20 Budget Q1	2019/20 Forecast Q3	Variance	2019/20 Budget Q2	Movement	Comments
		£k	£k	£k	£k	£k	£k	
Plumstead Fire Station Redevelopment	Green	0	100	50	(50)	50	0	
Rewiring of property at various fire stations	Green	2	598	528	(70)	501	27	increase
Roofing replacements	Amber	37	624	649	25	831	(182)	reprofile
West Hampstead Cottages Refurb (FEP2776)	Amber	43	663	463	(200)	463	0	
Window replacement at various stations	Amber	16	215	59	(156)	215	(156)	reprofile
Workplace Improvement Plan (WIP) Union Street	Green	0	60	42	(18)	60	(18)	saving
Estates Total		3,295	11,571	9,539	(2,032)	10,540	(1,001)	
Fleet and Equipment								
CCTV on Pumping Appliances	Green	0	99	232	133	99	133	increase
Early Replacement of Fire Boat	Amber	0	500	233	(267)	233	0	
Replacement of Aerial Appliances	Green	0	1,800	4,762	2,962	4,762	(0)	
Replacement of Fleet and other Vehicles	Green	14,624	17,711	14,311	(3,400)	14,534	(223)	reprofile
Replacement of Fleet associated Equipment	Green	0	0	471	471	373	98	increase
Fleet and Equipment Total		14,624	20,110	20,009	(101)	20,001	8	
Operational Policy Equipment								
Fireground Radios	Red	0	1,800	0	(1,800)	0	0	
Portable Hygiene Units	Green	91	91	91	0	91	0	
Respiratory Protective Equipment - BARRIE	Red	0	2,300	0	(2,300)	0	0	
Operational Policy Equipment Total		91	4,191	91	(4,100)	91	0	
Communications								
LFB Museum – Fitout	Amber	0	30	30	0	30	0	
Communications Total		0	30	30	0	30	0	
Grand Total		17,781	38,988	31,418	(7,570)	33,231	(1,813)	

Appendix 2 – Detailed Financial Position

The table above includes the project timing risk against each item. Further detail on the reasons for the three projects rated as red is provided below.

- Multi Agency Incident Transfer (MAIT) – There have been technical issues on this project in relation to procuring a supplier regarding a national data hub. Progress is now being made against this issue.
- Fireground Radios and Respiratory Protective Equipment – BARRIE – Following a review these projects have been combined and a new joint specification is being finalised, which has resulted in a delay to the original expected delivery dates.

Appendix 2 - Capital Programme

	2019/20 Capital Strategy LFC - 0134	2018/19 Outturn Slippage	New Projects/ Savings/ Changes	Slippage to 2020/21	2019/20 Q3 Forecast		2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
ICT Projects	£'000s	£'000s	£'000s	£'000s	£'000s		£'000s	£'000s	£'000s	£'000s
Audio Equipment for Union St	0	0	0	0	0		0	220	0	0
Business Intelligent Solution	454	0	0	(70)	384		435	460	0	0
Control & Mobilisation System (CAMS)	100	0	0	0	100		100	0	2,800	4,600
Farynor Replacement	100	0	0	(80)	20		80	450	200	0
Home Fire Safety Database	0	0	0	0	0		0	70	60	0
Incident Management System (IMS)	0	0	0	0	0		0	0	0	150
Mobile Data Terminals Replacement	71	0	0	0	71		0	0	1,486	0
Multi Agency Incident Transfer (MAIT)	120	75	0	0	195		120	0	0	0
Netscaler Replacement	200	0	(127)	0	73		0	0	0	0
New audio visual equip for Stations	0	0	0	0	0		500	0	0	0
New computer terminals - Fat Client	100	0	0	(100)	0		0	100	0	0
New computer terminals - Thin Client	0	0	0	0	0		0	1,150	0	0
New Finance System	100	0	0	(100)	0		686	1,080	453	0
New ISP	0	0	0	0	0		0	500	0	0
New Payroll & HR System	200	0	0	(200)	0		1,055	0	0	0
New telephone system equipment	150	0	0	0	150		0	0	0	0
New WAN	0	0	0	0	0		0	0	0	0
Performance & Admin Management Solution	215	0	(215)	0	0		0	0	0	0
Records Management Operating System	98	0	0	0	98		0	0	0	0
Replacement of laptops	0	0	0	0	0		300	300	300	873
Stars	0	0	0	0	0		0	0	0	500
Station Diary	0	0	0	0	0		0	0	0	400
Virtual Desktop Technology	235	15	0	(250)	0		425	0	0	0
VM Server Environment Hosts	0	0	0	0	0		0	500	0	0
Wireless Access Points	853	0	(45)	(150)	658		150	0	0	0

Appendix 2 - Capital Programme

	2019/20 Capital Strategy LFC - 0134	2018/19 Outturn Slippage	New Projects/ Savings/ Changes	Slippage to 2020/21	2019/20 Q3 Forecast		2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
ICT PROJECTS	2,996	90	(387)	(950)	1,749		3,851	4,830	5,299	6,523
ESTATE PROJECTS										
Appliance Bay Doors (Phase 3)	981	21	0	(544)	458		561	835	400	400
Biggin Hill FS - Extension	0	0	0	0	0		400	300	0	0
Brigade wide Survey for Asbestos & Removal	50	0	(30)	0	20		20	20	20	20
Bromley FS - Refurbishment	0	0	0	0	0		50	1,750	1,800	0
Carbon Strategy Estate Works	0	0	0	0	0		908	531	531	0
Heating at various stations	1,634	0	24	(1,159)	499		790	965	925	1,325
Improve Security at Fire Stations, Offices & HQ	100	0	0	(100)	0		200	2,405	0	0
Lambeth River Station Redevelopment	0	0	0	61	61		3,209	0	0	0
Lift Refurbishment Works	0	0	0	0	0		600	600	0	0
Minor Improvement Programme	2,164	0	0	(47)	2,117		2,624	2,500	2,500	2,500
Union Street - A/C Replacements	0	0	0	0	0		0	0	0	60
New Training Centre	300	81	0	232	613		1,277	9,030	4,214	0
Operations Support Centre Project (IELP)	3,196	(116)	0	900	3,980		197	0	0	0
Plumstead Fire Station Redevelopment	100	0	0	(50)	50		450	4,600	800	0
Refurbishment of Edmonton Fire Station	0	0	0	0	0		80	220	1,500	2,500
Rewiring of property at various fire stations	575	23	27	(97)	528		145	25	300	300
Roof Replacements	624	0	0	25	649		925	724	680	1,260
West Hampstead Single Person's Accommodation Refurbishment	705	(42)	0	(200)	463		200	0	0	0
Window replacement at various stations	215	0	0	(156)	59		675	1,115	910	600

Appendix 2 - Capital Programme

	2019/20 Capital Strategy LFC - 0134	2018/19 Outturn Slippage	New Projects/ Savings/ Changes	Slippage to 2020/21	2019/20 Q3 Forecast		2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
Workplace Improvement Plan (WIP) Union St	60	0	(18)	0	42		0	0	0	0
ESTATE PROJECTS	10,704	(33)	3	(1,135)	9,539		13,311	25,620	14,580	8,965
FLEET & EQUIPMENT PROJECTS										
22mm Water Hose and Reel for Appliances	507	0	(507)	0	0		0	0	0	0
CCTV on Pumping Appliances	100	0	132	0	232		136	0	0	0
Early Replacement of Fire Boat	500	0	0	(267)	233		3,106	475	0	0
Replacement of Aerial Appliances	1,800	0	0	1,646	3,446		5,927	0	0	0
Replacement of Fleet Associated Equipment	2,417	0	98	0	2,515		968	2,585	952	42
Replacement of Fleet and other Vehicles	17,677	(1,871)	(254)	(1,969)	13,583		7,882	9,825	1,350	0
Vehicle Security	45	0	(45)	0	0		0	0	0	0
FLEET & EQUIPMENT PROJECTS	23,046	(1,871)	(576)	(590)	20,009		18,018	12,885	2,302	42
OPERATIONAL POLICY EQUIPMENT										
Breathing Apparatus (Standard duration)	0	0	0	0	0		2,300	0	0	0
Fire ground Radios	1,800	0	0	(1,800)	0		900	0	0	0
Portable Hygiene Units	0	91	0	0	91		0	0	0	0
Respiratory Protective Equipment (BARRIE)	2,300	0	0	(2,300)	0		0	5,000	0	0
OPERATIONAL POLICY EQUIPMENT	4,100	91	0	(4,100)	91		3,200	5,000	0	0
COMMUNICATIONS										
LFB Museum – Fit out	30	0	0	0	30		80	1,120	1,152	0
COMMUNICATIONS	30	0	0	0	30		80	1,120	1,152	0

Appendix 2 - Capital Programme

	2019/20 Capital Strategy LFC - 0134	2018/19 Outturn Slippage	New Projects/ Savings/ Changes	Slippage to 2020/21	2019/20 Q3 Forecast		2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
CAPITAL EXPENDITURE TOTAL	40,876	(1,723)	(960)	(6,956)	31,237		38,460	49,455	23,333	15,530

Appendix 3 shows the anticipated balance on reserves on 31st March 2020 in the Q1 Financial Position report and the revised forecast balance included in this report. The total amount of reserves has increased from £69,680k to £74,420k, an increase of £4,741k.

£000s	Anticipated Balance March 2020 (Q1 Report)	Anticipated Balance March 2020 (Q3 Report)	Movement from Previous Report	Comments
Additional Resilience Requirements	498	622	124	Decrease in forecast one off training costs
Capital Expenditure Reserve	11,745	11,745	0	
Central Programme Office	792	746	(45)	Increase in forecast spend on CPO programme.
Compensation	750	287	(463)	Additional use of reserve to fund recent developments in mesothelioma cases.
Emergency Services Mobile Communication Programme	2,174	2,174	0	
Emergency Medical Response	294	294	0	
Fire Safety and Youth Engagement	1,031	1,007	(23)	Decrease in forecast spend on FS Youth Engagement
HMICFRS inspection regime	22	0	(22)	Extension of posts working on project.
Hydrants	367	367	0	
ICT Development Reserve	1,793	1,953	160	Reduction in use of development reserve. Use in future years is being reviewed.
LFC Control Centre	750	729	(21)	Remaining funding for temporary established control posts returned to general reserve.
LFB Museum Project	140	140	0	
London Resilience	903	771	(132)	£38k Funding for flood response project returned to general reserve and £94k from London Resilience to fund the costs for the replacement of the IT hardware on the eight existing Command Support Units.
London Safety Plan Initiatives	3,755	3,699	(56)	Forecast spend on Blue Light Secondary School project now included.
New Governance	148	0	(148)	Remaining funding for

£000s	Anticipated Balance March 2020 (Q1 Report)	Anticipated Balance March 2020 (Q3 Report)	Movement from Previous Report	Comments
Arrangements				returned to general reserve.
Organisational Reviews	466	327	(138)	Increase in costs for Role to Rank project, due to unforeseen one off costs.
Recruitment/ Outreach	370	250	(120)	Remaining funding for returned to general reserve.
Sustainability	0	235	235	Spend plans on Ultra Low Emissions Fleet (ULEF) to carried forward to 20/21.
Vehicle & Equipment Reserve	1,143	1,506	362	Spend plans on Ultra Low Emissions Fleet (ULEF) to carried forward to 20/21.
Budget Flexibility	29,930	29,930	0	
General	12,608	17,641	5,033	Increase in forecast underspend (£2,366k) and balances returned to general reserve (£566k)
Total	69,680	74,420	4,741	

1. Firefighter and Local Government Pension Schemes

- 1.1. 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 this has now been denied, with the case returning to the Employment Tribunal for a remedy to be determined. An initial hearing is scheduled for 18 December 2019. The potential cost implications for the LFC are not possible to forecast at present, but may lead to a material budget pressure. The remedy is potentially made more complex as it may need to address the issue on a range public sector pensions, possibly including the LGPS.

2. London Pensions Fund Authority (LPFA) Pensions Administration

- 2.1. The strategic partnership between the London Pensions Fund Authority (LPFA) and Lancashire County Pension Fund established in April 2016, and that created the **Local Pensions Partnership** (LPP), to manage pension fund investments and pensions administration services, continues to develop. It was agreed (FEP2644) that the LFC should continue the current shared service arrangement with the LPFA for the administration of the FPS but with the LPFA then sub-contracting to the LPP. The LPP implemented its new operating model from April 2018 which saw the service move from a dedicated LFB pension team to a generic team for all their clients. Officers have been reviewing this arrangement, and have now met with the LPP's new Pensions Director, and a potential significant increase in shared service charges was raised. It is planned to reach conclusions on the best long term administration solution for the administration of LFC's pension schemes by the end of this financial year, working with the Local Pension Board. This could lead to change in the cost of the service and/or change in provider. The LFC currently pays the LPP £293k pa under a shared service arrangement to provide administration services for the firefighter pension scheme.

3. GT Legal Investigation Costs

- 3.1. The position on the legal costs continues to develop as more information becomes available, and these will be updated as required. It is currently forecast that £3,520k of costs will be spent in this financial year, however, this will be offset by income.
- 3.2. The disclosure costs are an area of particular attention with further upward cost pressure. Discussions are ongoing with insurers to confirm what costs will be recovered through this route and a Provisional Settlement has been agreed with our Insurers regarding reimbursement of our disclosure costs relating to Grenfell.

4. Pay and Inflation

- 4.1. Pay awards for Operational and Control staff have now been agreed and the implications are set out in the figures included in this report. The pay award for FRS staff is being paid to staff in January 2020.
- 4.2. The protracted **Brexit** process continues to cause significant economic uncertainty. The impact of this is currently unclear, and so preparing forecasts for increases in general inflation remains difficult.

5. Premises Budgets

5.1. There is £100k included in 2019/20 budget for potential dilapidation costs at the Brigade Distribution Centre (BDC). This is an estimate advised by the Estates Consultant. Notice to terminate the lease of BDC was completed in September 19 and agreement will cease in March 2020. The Estates Consultant has visited BDC and is preparing a report for LFB. Once report has been agreed, negotiations on dilapidations will commence with the landlord.

6. Manual liability

6.1. The Closure of Accounts 2019/20 report scheduled for Corporate Services Directorate Board on 21 January and Commissioners Board on 29 January sets out the implications of changing the accruals limit to £5k per transaction, instead of by supplier. If agreed this could result in a material reduction in the number of liabilities raised for the 2019/20 financial year and a resulting overall reduction in expenditure.

7. POTENTIAL RISKS/CHANGES TO THE CAPITAL PROGRAMME

7.1. The capital budget is an evolving entity which is subject to change throughout 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 will invariably result in additional costs. However even the best managed projects can be subject to re-phasing or deferral due to a number of unforeseen issues, such as contractor capacity/failure, bad weather and revised operational need. This can also impact on funding requirements that in turn have a debt charge (cost of borrowing) revenue impact.

7.2. All capital projects will require third party collaboration to varying degrees over the project life. The following major projects that make up about 80% of the programme depend heavily on external parties actions and therefore can be subject to variation with the potential for delays in project delivery and revised cash flow requirements. Specific risks:

Vehicle Replacement Programme

7.3. 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 2019/20 and future years is based on the current assessment of the stage payment requirements for the pump replacement programme and other vehicle replacements which represents 80% of the forecast Vehicles and Equipment expenditure. Any delay in the programme and delivery timings for the fleet replacement items, may effect the actual spend position and be a variance against the approved budget for the year.

Command Units

7.4. The initial specification for the Command Unit vehicles was for a standard box lorry which resulted in a budget provision of £3.24m to replace the nine vehicles. It is now proposed that a fully electric solution also be included in the tender process to allow the costs of this potential option to be better understood.. Any decision to implement an electric vehicle solution is likely to lead to significant additional costs. In addition, there will be a new budget requirement for the ICT equipment for the vehicles that is yet to be clarified, but the additional budget requirement could be around £1.8m.

Control and Mobilising Solution (CAMS)

7.5. The current mobilising solution (Vision) was implemented in November 2015, however a number of other work streams within the project are still to be delivered. Update releases have been implemented in the period since go-live and other functionality will continue to be deployed during 2019/20 (e.g. BOSS mobile), hence the continuing capital requirement. This budget line is separate from any project to replace the current mobilising solution, as it comes to the end of its 10 year useful life, which is expected will commence later in 2019/20.

Replacement of the Fire Safety ICT System

- 7.6. The start of the replacement fire safety system project has been delayed as it is prudent to await, following the Grenfell Tower fire, (a) the Government's response to recommendations of the independent Review of Building Regulations and Fire Safety made by Dame Judith Hackitt; and (b) the recommendations from phase 1 of the Grenfell Tower Inquiry. The Government has consulted on its proposals to respond to the Hackitt recommendations and the Phase 1 recommendations from the Grenfell Tower Inquiry are now expected to be published on 30 October 2019. Plans are progressing to develop this project into a 'One Risk System' that would embrace the whole range of building related risks, including fire safety and operational risks.

Incident-ground radios

- 7.7. £1.8m was in the capital programme for 2019/20 for the replacement of incident-ground radios. The current radios are reaching the end of their useful life and repairs are becoming more frequent and costly. The supplier has also indicated that they may stop production of these radios. This project has dependencies on the Respiratory Protective Equipment (RPE) replacement project, with decisions required on compatibility with any new breathing apparatus (BA) radios. Officers were considering the potential amalgamation of the BA Radio and Incident Ground Radio projects. It has now been agreed that they will be merged as there will be substantial improvements in fire fighter safety. It is now not likely that the full provision in the capital programme will be spent, given normal procurement time-lines. An interim procurement, to provide a continuing stock of radios to replace those that fail, may need to be considered.

Modernisation of LFB Applications

- 7.8. Estimates have been prepared as part of the long term capital strategy for the replacement of a number of key business and back-office systems. These estimates were based on the expected life of the deployed systems, and the need to re-tender systems (e.g. finance/purchasing, payroll and human resources). However, these sums are somewhat uncertain given the changing nature of the ICT environment and its evolution (e.g. the move to cloud-based systems), the emergence of new technologies and ways of working.

LFB Training Centre

- 7.9. The LFB Training Centre project has a dependency on PEG moving out of Croydon and any delay to the Operations Support Centre (OSC) Project may have a knock on effect on the delivery of the Training Centre programme. The programme for OSC project is on track with PEG/BDC planning to relocate to the new site in the first quarter of 2020, supporting the planned start date for the works for the Training Centre in March 2020.

Operations Support Centre Project (formally IELP)

- 7.10. The contractors are currently on site and the project is proceeding to plan. The risk of further budget slippage has reduced and the forecast capital budget is expected to be achieved.

Plumstead Redevelopment

- 7.11. A decision has been made to undertake a new feasibility study into refurbishing the existing listed building and extending the fire station, due to lack of available and suitable alternative sites. It is possible that the costs advised by the feasibility report could exceed the current allocated budget of £5.45m.

Edmonton Fire Station

- 7.12. A feasibility study is being undertaken to look at potential options to re-build or refurbish the existing premises. A risk to the project is the recent local listing of the fire station by the London Borough of Enfield, without consultation with the LFC. This is currently being investigated.

Security at fire stations

- 7.13. This project is on hold pending the outcome of the Special Operations Group security policy. The business case for this project will need to be re-validated based on the new requirements.

West Hampstead Single Persons Accommodation Refurbishment

- 7.14. The project has reached a point of contract award, however the issue of listed planning consent is still in discussion with the London Borough of Camden (LBC). Discussions are ongoing with LBC, Dron & Wright (project managers), Nexus and Heritage Consultants.

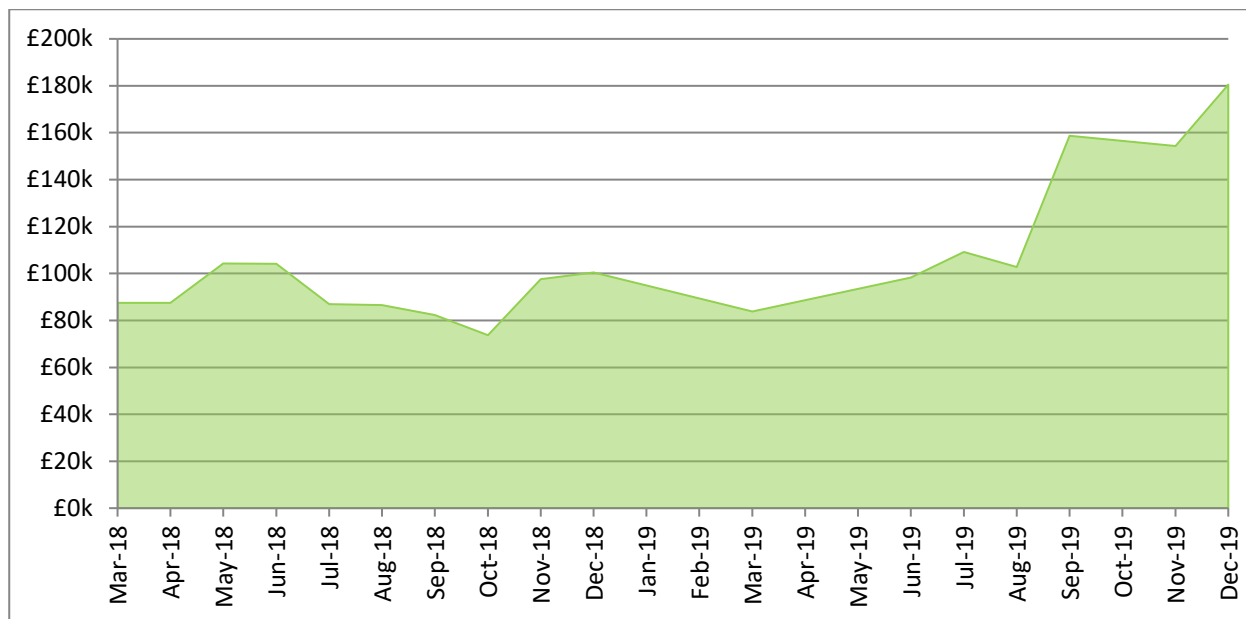
Redevelopment of 8 Albert Embankment

- 7.15. The re-provision of Lambeth fire station and new LFB museum was subject to the approval of a planning application to the London Borough of Lambeth. Planning permission was granted however there has now been a request for the planning application to be called in by the Secretary of State and the outcome is expected at the end of January 2020. The costs associated with the provision of the museum are expected to be met within the existing budget now that the LFC has been successful in applying for National Lottery Heritage Grant to support the project.

Capital Receipts

- 7.16. The 2019/20 capital programme includes the sale of the former fire station at Clerkenwell. If this sale is delayed, it will impact on the financing of the capital programme and will result in additional borrowing and revenue costs. The level of required borrowing will be dependant on the timing of the capital receipts and the level of actual capital expenditure incurred during the year.

The chart below shows the amount of outstanding LIFT debts over the last 18 months, with £180k outstanding at the end of December 2019 due to increased number of incidence.



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

	£ Outstanding	No of invoices
LONDON BOROUGH OF SOUTHWARK	14,645	35
PEABODY TRUST	12,538	31
LONDON BOROUGH OF ISLINGTON	6,509	16
LB OF HACKNEY	6,509	16
A2 DOMINION HOMES LIMITED	6,494	16
Grand Total	46,694	115

Review of the top five debtors

LB of Southwark:

These outstanding invoices have been chased and the London Borough of Southwark has now made payment in full against this debt in Q4.

Peabody Trust:

These outstanding invoices have been recently chased and a final reminder letter has been sent to Peabody Trust. The debts are currently in the process of being referred to Finance for checks required before being referred to General Counsel for legal action.

LB of Islington:

These outstanding invoices have been recently chased.

LB of Hackney:

These invoices continue to be chased and payments have now been received for a number of the outstanding items in Q4.

A2 Dominion Homes Limited:

These have been referred to General Counsel for further action.

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."

Department from	Department to	Description	Date	Amount transferred
Cadets	Procurement	Maintenance costs - Operational Equipment Items	06/12/2019	£4,323
Training and Professional Development	Corporate Services	Income Grant - Body Bag Training	18/12/2019	£20,000

Summary of changes from Quarter 2 Financial Position Report

Forecast Spend at Q3	2019/20	2020/21	2021/22	2022/23
Capital	419,865	5,577,050	0	0
Revenue	3,513,903	5,523,737	5,409,894	4,723,494
Reserve Funded	213,000	241,612	0	0
Total	4,146,768	11,342,399	5,409,894	4,723,494
Forecast in Q2 Financial Position Report				
Capital	419,865	5,577,050	0	0
Revenue	4,764,796	4,799,894	5,409,894	5,409,894
Reserve Funded	213,000	241,612	0	0
Total	5,397,661	10,618,556	5,409,894	5,409,894
Movement from previous	(1,250,893)	723,843	0	(686,400)
Movement from Q2 Report				
R7 - Legal Costs - Provisional Settlement agreed with our Insurers regarding reimbursement of our disclosure costs relating to Grenfell	(1,250,893)			
R6 -Grenfell Investigation Legal Team Growth in 2020/21		723,843	0	
R6 -Grenfell Investigation Legal Team Saving in 2022/23				(686,400)
Total Movement from Q2 Report	(1,250,893)	723,843	0	(686,400)

Additional Resourcing Requirements

Appendix 7

Ref	Department	Expenditure Item	Actual Spend in 2017/18 £	Actual Spend in 2018/19 £	Forecast Spend in 2019/20 £	Forecast Spend in 2020/21 £	Forecast Spend in 2021/22 £	Forecast Spend in 2022/23 £
C1	Procurement/ Technical & Service Support	Extended Height Aerial Appliances x3 Aerial appliances are used for a range of tasks at incidents which include providing a means of escape for firefighters working inside a building, as water towers, lighting and observation platforms and rescues, as just several examples. Greater height ladders have now become available on a similar size chassis to the Brigade's current fleet that could be effectively utilised at certain incidents within London. As part of the Brigade's existing plan to upgrade its aerial appliance fleet, there is a benefit to procuring such vehicles at this time.	0	0	419,865	2,764,050	0	0
C2	Operational Policy	Drones There is not expected to be any capital costs related to drones, and all costs are included in item R3 Improved USAR Kit below.	0	0	0	0	0	0
C3	Operational Policy	Extended Duration Breathing Apparatus Sets LFB Standard Duration BA has a working duration of 31 minutes. Extended Duration BA has a working duration of 45 minutes. A 'Prior information notice' has been sent out via the emergency services blue light portal letting the market know of our intention to replace our Respiratory Protective Equipment provision which includes both standard duration and extended duration breathing apparatus and inviting manufacturers to record an expression of interest. 6 companies registered their interest and preliminary meetings to outline our timescales and the outline of our requirements have been completed. We are continuing to research the market by meeting suppliers. This will be followed by the Project Initiation Document (PID) with the user requirement projected to be sent out to suppliers. Stakeholders for the working group are currently being identified and the first meeting of this group will be convened when we have a working draft of the PID. In the interim we are reviewing how we can deliver our current EDBA provision to	0	0	0	2,813,000	0	0

Additional Resourcing Requirements

Appendix 7

Ref	Department	Expenditure Item	Actual Spend in 2017/18 £	Actual Spend in 2018/19 £	Forecast Spend in 2019/20 £	Forecast Spend in 2020/21 £	Forecast Spend in 2021/22 £	Forecast Spend in 2022/23 £
		incidents at an earlier stage via both Fire Rescue Units and EDBA support pumps as well as the Operational Support Units.						
R1	Multiple Departments	Ongoing Maintenance for Capital Items above	0	0	0	75,000	763,000	763,000
R2	Operational Policy	Improved USAR Kit USAR specific drones: To map the area and conduct localised or wide area search/casualty search. Can also enter danger areas and structures to minimise risk to crews. WASPs: Early Warning safety device for structural stability. Can also be used for Trench rescue and confined space working. Pop-Up Tents: To provide welfare/shelter for crews/command team in both inclement or sunny weather. Half Masks: For crew welfare over long periods of use compared to full face, which can cause crews to overheat.	0	22,600	68,000	24,000	24,000	24,000
R3	Operational Policy	Wicking T-Shirts A shirt which has the ability to breathe and keep the user's skin dry from sweat. The initial cost is based on estimate of £10 per shirt and allocation of five each for all firefighter and crew manager roles. An appropriate wicking t-shirt has been identified and staff group entitlement now agreed for USAR teams. Further work is on-going for the remainder of station based staff.	0	15,000	5,000	247,000	57,000	57,000
R4	People Services	Additional resources - Counselling and Wellbeing Team Changes in the nature of the Brigade's work have increased the workload of the C&W Team. The unprecedented nature of the Grenfell Tower fire has increased workloads on a significant and sustained basis. In addition to supporting colleagues who were	68,836	244,894	244,894	244,894	244,894	244,894

Additional Resourcing Requirements

Appendix 7

Ref	Department	Expenditure Item	Actual Spend in 2017/18 £	Actual Spend in 2018/19 £	Forecast Spend in 2019/20 £	Forecast Spend in 2020/21 £	Forecast Spend in 2021/22 £	Forecast Spend in 2022/23 £
		<p>impacted by the fire in the immediate aftermath, the team are supporting the collection of witness statements by the police and will be required to support individuals for months and years to come, up to and including the Public Inquiry.</p> <p>Four additional Counsellor posts (FRS E) are now in place.</p> <p>Also, to operate effectively the expanded C&W team requires administrative support. A FRS B post to support the team and maintain critical and confidential records is now in place.</p>						
R5	Fire Stations	<p>Increase in officer levels</p> <p>An increase in the Deputy Assistant Commissioner (DAC) establishment from 12 to 16 is required to provide greater resilience within the operational top management group. DACs provide strategic support at incidents that require eight or more fire engines. They are also integral to the Brigade's wider strategic response arrangements including to Major Incidents. The additional posts will support the ongoing day to day resilience within existing departments and provide the necessary level of managerial responsibility to the Brigade's Grenfell Investigation Team.</p> <p>Four additional DAC posts are now in place.</p>	238,500	424,000	424,000	424,000	424,000	424,000
R6	Commissioner's & Directors'	<p>Costs of the Investigation Team</p> <p>The establishment of this team was set out in the report on the Grenfell Tower Inquiry – Proposed Terms of Reference (FEP 2747). The team is now in place to support work on the investigation. The number and make of the establishment is changing to meet organisational need.</p>	705,506	1,812,732	1,765,000	858,000	858,000	171,600
R7	General Counsel	<p>Grenfell - Legal Support (External Legal Advisors)</p> <p>The Grenfell fire has led to the instigation of a Public Inquiry of which the Authority is expected to be a core participant. Additionally, a parallel criminal investigation into the fire is being</p>	600,288	1,825,410	(664,991)	78,000	0	0

Additional Resourcing Requirements

Appendix 7

Ref	Department	Expenditure Item	Actual Spend in 2017/18 £	Actual Spend in 2018/19 £	Forecast Spend in 2019/20 £	Forecast Spend in 2020/21 £	Forecast Spend in 2021/22 £	Forecast Spend in 2022/23 £
		carried out by the Metropolitan Police with support from the Authority and HSE. The Authority may be required to play an extensive role in each. This growth bid is twofold. Firstly, the costs in backfilling posts of staff required to work on the Grenfell Tower case and secondly for external legal advice and representation. Secondly, this growth bid relates to the requirement of a dedicated IT solution to enable effective management of the review and disclosure of documents for the purpose of disclosure in the legal proceedings noted above. The costs here represent the actual cost to LFC after reimbursement from the brigades insurers.						
R8	Fire Stations	Overtime Support for Specialist Teams This is based on a 30 per cent increase in operational overtime at FRU and FRU/USAR Stations alongside overtime costs for Regulatory Fire Safety in relation to cladding inspections.	0	103,000	103,000	103,000	103,000	103,000
R9	Fire Safety	Fire Safety resources to support and enhance the inspection programme The ongoing costs are for an additional resources to support the inspection programme. Recruitment process is on-going.	0	224,590	950,000	1,500,000	1,500,000	1,500,000
R10	Legal & Democratic Services	Review of staff support for Chair This was to consider whether additional support is required for the Deputy Mayor for Fire and Rescue. This has been assessed as no longer being required.	0	0	0	0	0	0
R11	Fire Stations	Potential cost of increased sickness It is anticipated that the aftermath of recent incidents will see an increase in sickness rates for operational staff, in particular. This sets out the overtime cost that will be expected to be incurred in covering the resulting gaps.	371,000	371,000	371,000	371,000	371,000	371,000
R12	Development and Training	Training This includes additional training requirements for: <ul style="list-style-type: none"> • Extended Height Appliances • Drone Piloting 	0	7,000	441,000	488,612	437,000	437,000

Additional Resourcing Requirements

Appendix 7

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		<ul style="list-style-type: none"> Extended Duration Breathing Apparatus Sets Improved USAR Kit Smoke Evacuation Hoods 						
R13	Finance Services	Additional Borrowing Costs Items funded through the capital programme will increase the overall level of external borrowing required over the current four year planning period and increase capital financing costs.	0	0	0	608,000	608,000	608,000
R14	Operational Policy	Improved Communications for Breathing Apparatus A BA replacement project is underway to examine the next generation of BA and how this can be delivered to the LFB. Whilst telemetry is being identified as a consideration any additional communications requirements over an above the current (BARIE) sets can be included for consideration. Outline costs have yet to be determined. BA communications is now in scope of the Repertory Protective Equipment replacement project and will consider this requirement.	0	0	0	0	0	0
R15	Operational Policy	Fire Escape Hoods This budget was used to purchase smoke hoods for all front line appliances.	0	89,000	20,000	20,000	20,000	20,000
Total additional resilience requirements			1,984,130	5,139,226	4,146,768	11,342,399	5,409,894	4,723,494