

# FY 2023/24 - Q1 Finance Position Report

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**Report to:**

Investment & Finance Board.....3 August 2023  
Commissioner's Board.....23 August 2023  
Audit Committee .....8 September 2023  
Deputy Mayor's Fire and Resilience Board.....5 September 2023

**Date:**

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**Report by:**

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Assistant Director - Finance

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**Report classification:**

For information

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**For publication**

# PART ONE

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

### Executive Summary

This report presents the London Fire Commissioner's (LFC) Q1 Financial Position Report as at the end of June 2023 (Period 3). It provides information on financial performance against both Revenue and Capital budgets.

### Recommended decision

Note the Q1 Finance Position as at the end of June 2023 (Period 3).

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## **Introduction and background**

This report presents the Q1 Financial Position as at the end of June 2023 (Period 3). All departments review their actual income and expenditure on a monthly/quarterly basis and provide an updated forecast outturn position. These latest forecast returns are then monitored against budget and previously reported forecasts with explanations of variances being provided. These periodic returns form the basis of this reporting to the Investment and Finance Board (IFB), Commissioner's Board (CB), the Deputy Mayor's Fire and Resilience Board (FRB) and Audit Committee. The draft report is also shared with the Greater London Authority to meet requirements set out in the Mayor's Budget Guidance.

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

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

### **2 Statement of Accounts 2021/22**

2.1 The Draft Statement of Accounts (SoA) was approved by the Chief Finance Officer (Director of Corporate Services) on 31 May 2022 and passed for external audit and public inspection. The updated Draft SoA was published by 30 November 2022. The audit was completed on 27 July 2023 and the final audited SoA is expected to be published shortly.

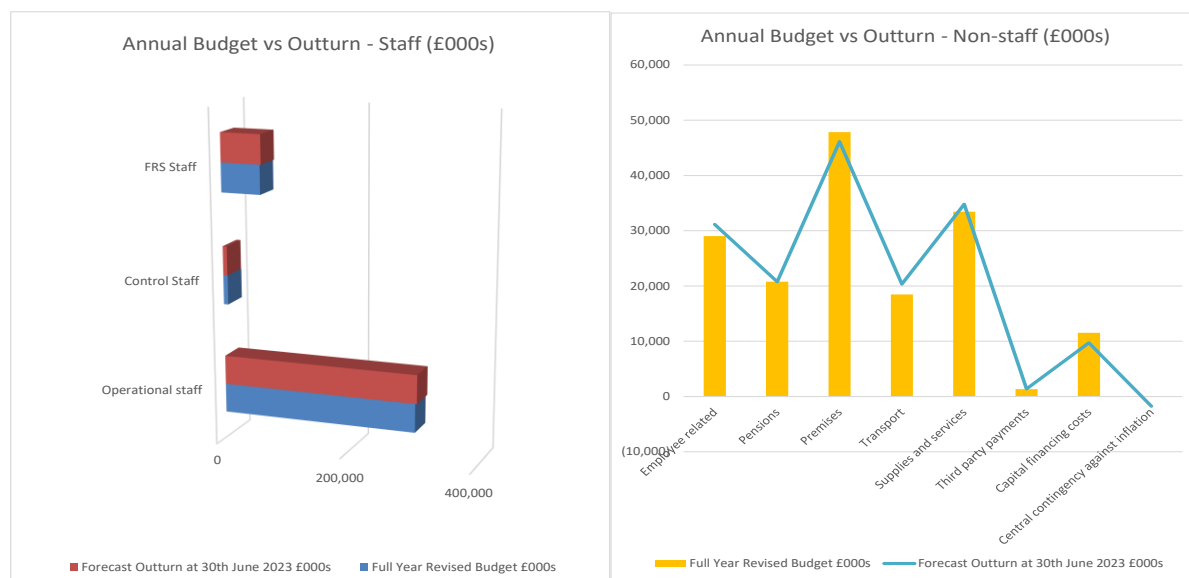
### **3 Statement of Accounts 2022/23**

3.1 The Draft Statement of Accounts (SoA) was approved by the Chief Finance Officer (Director of Corporate Services) and published on 31 May 2023. The period for public inspection of the SoA ended on 12 July 2023. Discussions are ongoing with the external auditors to confirm dates for the audit of the SoA.

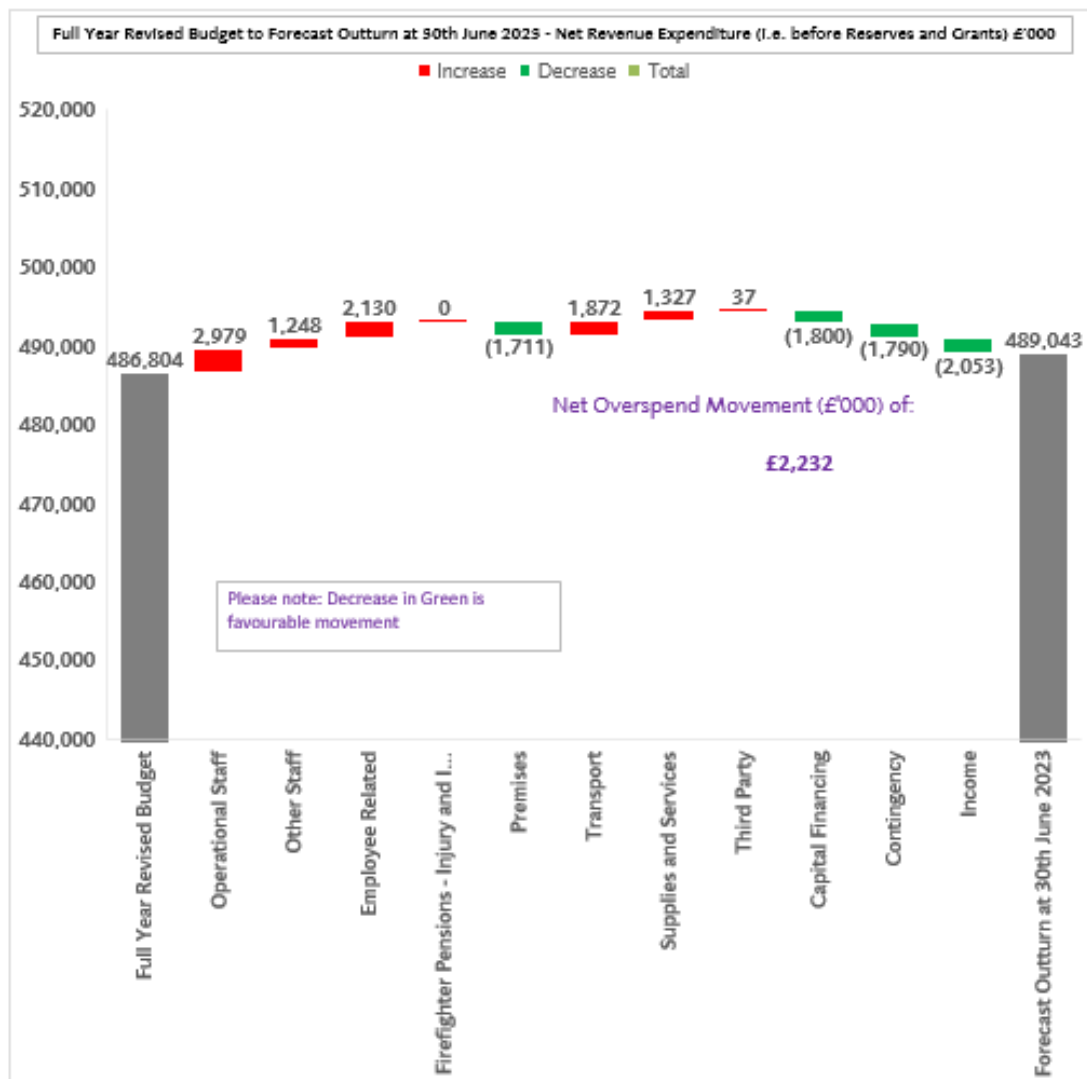
## Section A LFC Revenue Summary Main Table

The table below sets out the Q1 Finance Position for LFC.

London Fire Commissioner Revenue Summary (£'000s)						
	A	B	C = [B - A]	D	E	G = [E - D]
LFC Revenue (£'000s)	YTD Budget	YTD Spend	YTD Variance (Budget vs Spend)	Full Year Revised Budget	Forecast Outturn at 30th June 2023	Variance Forecast Outturn vs Revised Budget at 30th June 2023
Operational Staff	76,729	76,235	(494)	306,917	309,896	2,979
Other Staff	17,011	18,235	1,224	69,194	70,442	1,248
Employee Related	22,239	26,488	4,249	29,028	31,158	2,130
Firefighter Pensions - Injury and Ill Health	5,984	5,281	(702)	20,773	20,773	0
Premises	19,270	24,387	5,116	47,831	46,120	(1,711)
Transport	14,347	15,538	1,191	18,470	20,341	1,872
Supplies and Services	16,109	25,091	8,982	33,460	34,787	1,327
Third Party	892	132	(759)	1,333	1,370	37
Capital Financing	2,586	193	(2,393)	11,524	9,724	(1,800)
Contingency	26	0	(26)	26	(1,772)	(1,798)
Income	(5,102)	(30,023)	(24,920)	(51,745)	(53,797)	(2,053)
<b>Net Revenue Expenditure</b>	<b>170,091</b>	<b>161,557</b>	<b>(8,534)</b>	<b>486,811</b>	<b>489,043</b>	<b>2,232</b>
Use of Reserves	(1,259)	0	1,259	(8,384)	(9,082)	(698)
<b>Financing Requirement</b>	<b>168,832</b>	<b>161,557</b>	<b>(7,276)</b>	<b>478,428</b>	<b>479,961</b>	<b>1,534</b>
Financed by:						
Specific Grants	(8,610)	2,600	11,210	(32,628)	(32,089)	539
GLA Funding	(111,450)	(84,114)	0	(445,800)	(445,800)	0
<b>Net Financial Position (Outturn)</b>	<b>48,772</b>	<b>80,042</b>	<b>3,935</b>	<b>0</b>	<b>2,072</b>	<b>2,072</b>



## Section A LFC Revenue Summary Walkthrough 1 (Budget to Latest Forecast) (1/2)



## Section A LFC Revenue Summary Walkthrough 1 (Budget to Latest Forecast) (2/2)

### Comments Full Year Latest Forecast vs Budget

The full year forecast outturn at 30th June 2023 shows a net overspend of £2,072k. Some of these overspends listed may be funded via reserves, where outlined.

#### **Operational Staff - net overspend of £2,979k**

This overspend is largely due to the impact of net increased overtime forecast in Preparedness & Response, £3,723k - see Preparedness & Response Directorate Summary for more detail. This overspend is partly offset by underspends in Fire Safety Delivery within the Prevention, Protection & Policy Directorate of £962k.

#### **Other Staff - net overspend of £1,248k**

This overspend is largely due to (Fire & Rescue Staff) FRS staff in People Directorate. See People Directorate Summary for more detail.

#### **Employee Related - net overspend of £2,130k**

This overspend is driven largely by the professional development costs in the Learning & Professional Development Department (L&PD) relating to the training contract, with additional costs reflecting both inflationary pressure and embedded growth - see People Directorate Summary for more detail.

#### **Premises - net underspend of £1,711k**

This underspend largely relates to premises capitalised costs of £2m in Finance Services, partially offset by forecast overspend in Property & Technical Support Service (TSS) of £400k. See Corporate Services Directorate Summary for more detail.

#### **Transport - net overspend of £1,872k**

This overspend relates mainly to Technical and Support Service, with £1,250k relating to the vehicle and equipment contract and other vehicle costs such as accident repairs. See Corporate Services Directorate Summary for more detail. Other areas of forecast overspend are in People of £363k, and Preparedness & Response of £260k.

#### **Supplies and Services - net overspend of £1,327k**

This overspend is largely driven by operational equipment in Operational Resilience within the Preparedness & Response Directorate, £762k, however will be largely offset by contribution from Reserves. See Preparedness & Response Directorate Summary for more detail.

Further forecast overspend of £120k relates to clothing and laundry in People Directorate.

#### **Capital Financing - net underspend of £1,800k**

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

#### **Contingency – net underspend £1,798k**

The £26k budget represents centrally held contingency net of efficiency review targets identified in the Final Budget 2023/24 report, such as £1,500k in relation to Operational Support Units within Preparedness & Response. The reported underspend is due to release of contingency budget in the forecast to off-set overspends reflected elsewhere. Efficiency targets are forecast on budget, however this remains under close review.

#### **Income - net over-recovery £2,053k**

This over recovery is largely due to higher than budgeted interest receivable income, resulting from both higher interest rates and investment balances of £1,900k. In addition, higher than planned income is forecast in relation to MFB Act £470k, and 'shut in lift' charges £230k, offset by lower Babcock secondment income within People Directorate of £600k.

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

The table below sets out the reported overall LFC position at Q1 broken down by Directorate.

The £2,072k forecast outturn overspend is largely being driven by the net overspends seen within the Preparedness & Response and People Directorates.

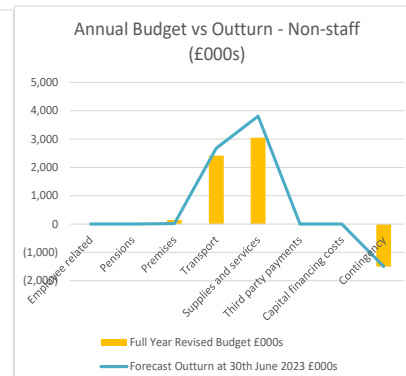
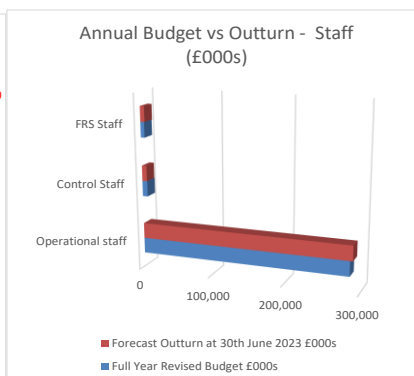
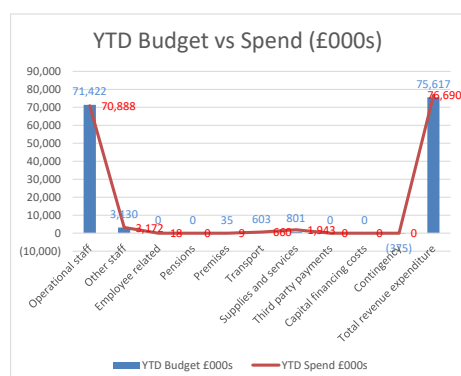
Please refer to each Directorate detailed summary for further information.

Revenue Summary of Net Financial Position - by Directorate (£'000s)						
	A	B	C = [B - A]	D	E	G = [E - D]
Directorate	YTD Budget	YTD Spend	YTD Variance (Budget vs Spend)	Full Year Revised Budget	Forecast Outturn at 30th June 2023	Variance Forecast Outturn vs Revised Budget at 30th June 2023
Preparedness and Response	75,242	76,494	1,253	300,811	304,747	3,936
Prevention, Protection and Policy	7,142	7,371	229	30,379	29,132	(1,246)
Corporate Services	51,071	47,376	(3,695)	68,152	62,787	(5,365)
People	25,027	30,784	5,757	39,598	43,988	4,391
Transformation	911	1,292	381	3,520	3,877	357
Communications	831	840	9	3,341	3,341	(0)
<b>Total</b>	<b>160,222</b>	<b>164,160</b>	<b>3,935</b>	<b>445,800</b>	<b>447,872</b>	<b>2,072</b>



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

LFC Revenue (£'000s)	YTD Budget	YTD Spend	YTD Variance (Budget vs Spend)	Full Year Revised Budget	Forecast Outturn at 30th June 2023	Variance Forecast Outturn vs Revised Budget at 30th June 2023
Operational Staff	71,512	70,978	(534)	286,051	289,774	3,723
Other Staff	3,130	3,172	42	12,520	12,774	254
Employee Related	0	18	17	2	2	0
Pensions	0	0	0	0	0	0
Premises	35	9	(26)	140	20	(120)
Transport	603	660	56	2,413	2,673	260
Supplies and Services	801	1,943	1,142	3,048	3,811	762
Third Party	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
Contingency	(375)	0	375	(1,500)	(1,500)	0
Income	(386)	(285)	101	(1,545)	(1,875)	(330)
<b>Net Revenue Expenditure</b>	<b>75,320</b>	<b>76,494</b>	<b>1,173</b>	<b>300,767</b>	<b>305,317</b>	<b>4,550</b>
Use of Reserves	0	0	0	0	(752)	(752)
<b>Financing Requirement</b>	<b>75,320</b>	<b>76,494</b>	<b>1,173</b>	<b>300,767</b>	<b>304,564</b>	<b>3,797</b>
Financed by:						
Specific Grants	(79)	0	79	(317)	(178)	139
GLA funding	0	0	0	0	0	0
<b>Net Financial Position</b>	<b>75,242</b>	<b>76,494</b>	<b>1,252</b>	<b>300,450</b>	<b>304,386</b>	<b>3,936</b>



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

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

Comments Full Year Latest Forecast vs Budget
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### **Operational Staff – net overspend of £3,723k**

This overspend is largely due to overtime in relation to Public Holiday £703k, Operational £3,200k and Standby £15k, partially offset by vacancies.

The project on Pre-Arranged Overtime (PAO), including improved financial controls and the subsequent implementation of the Priority Crewing Guide (PCG), is delivering expenditure reductions in this area from the comparable period in 2022/23. Project reporting is tracking costs against previous comparable periods, and further detail will be incorporated into future financial reporting.

Further work in this area, such as recruitment to increase operational staffing levels closer to a full establishment and the training plan to reduce skills gaps, should improve this position further. However, there is also a risk that through the summer months it may be necessary to increase operational availability to levels greater than that of the PCG due to an assessment of operational risk through periods such as heatwaves.

### **Other Staff – net overspend of £254k**

This overspend relates to £650k overspend in FRS staff being offset partially by £396k underspend in Control staff. Further analysis on these variances will be reported at Q2.

### **Premises – net underspend of £120k**

This underspend relates to reduced forecast spend in relation to hire of facilities. This is off-set by forecast overspend on accommodation bookings within the transport section below.

### **Transport – net overspend of £260k**

This overspend is due to increased forecast of £141k in travel costs within Operational Resilience (see premises section above), along with £45k in other vehicle costs. A further £75k relates to Fire Stations across both travel and running costs.

### **Supplies and Services - net overspend of £762k**

This overspend is in respect of operational equipment (ballistics kit) within Operational Resilience. Planned drawdown from reserves mitigates this budget pressure.

### **Income – net over recovery of £330k**

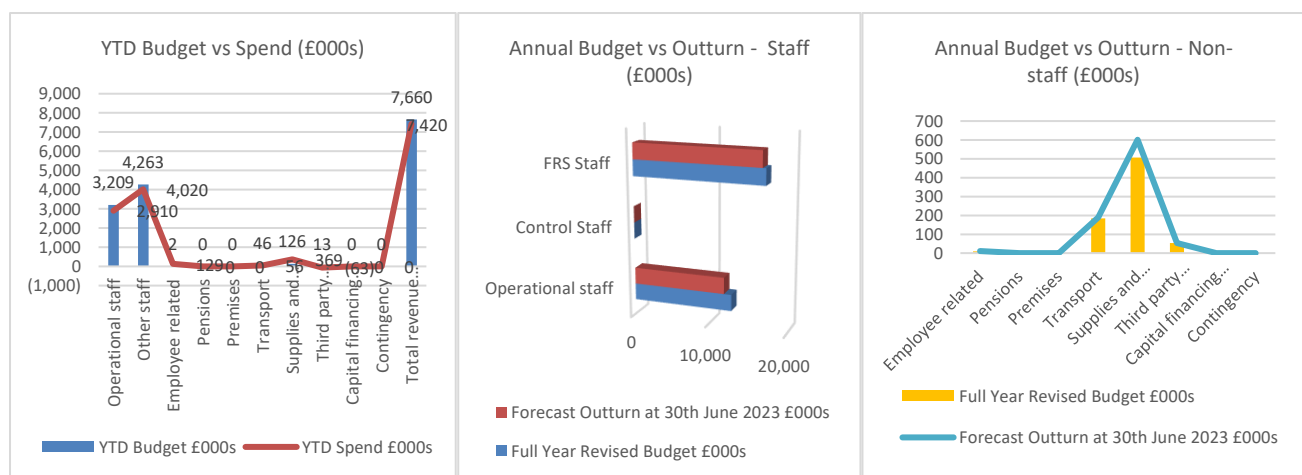
This increased forecast is largely due to £230k additional income regarding Shut in Lifts charges. This reflects the increased trend seen in prior years, and is factored in to budget planning for 2024/25. The balance refers to additional income in London Resilience Group (LRG) regarding Control of Major Accident Hazards (COMAH) charges of £35k, secondment income of £16k and other re-imbursements of £49k.

### **Specific Grants – net under recovery of £139k**

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

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

LFC Revenue (£'000s)	YTD Budget	YTD Spend	YTD Variance (Budget vs Spend)	Full Year Revised Budget	Forecast Outturn at 30th June 2023	Variance Forecast Outturn vs Revised Budget at 30th June 2023
Operational Staff	3,296	2,997	(299)	13,182	12,220	(962)
Other Staff	4,277	4,034	(244)	17,110	16,665	(445)
Employee Related	2	141	139	9	10	1
Pensions	0	0	0	0	0	0
Premises	0	0	0	0	0	0
Transport	46	56	10	183	190	7
Supplies and Services	126	368	242	506	601	95
Third Party	13	(63)	(77)	53	53	0
Capital Financing	0	0	0	0	0	0
Contingency	0	0	0	0	0	0
Income	(156)	(162)	(6)	(625)	(567)	57
<b>Net Revenue Expenditure</b>	<b>7,604</b>	<b>7,371</b>	<b>(234)</b>	<b>30,418</b>	<b>29,172</b>	<b>(1,246)</b>
Use of Reserves	0	0	0	0	0	0
<b>Financing Requirement</b>	<b>7,604</b>	<b>7,371</b>	<b>(234)</b>	<b>30,418</b>	<b>29,172</b>	<b>(1,246)</b>
Financed by:						
Specific Grants	(463)	0	463	(40)	(40)	0
GLA funding	0	0	0	0	0	0
<b>Net Financial Position</b>	<b>7,142</b>	<b>7,371</b>	<b>230</b>	<b>30,379</b>	<b>29,132</b>	<b>(1,246)</b>



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

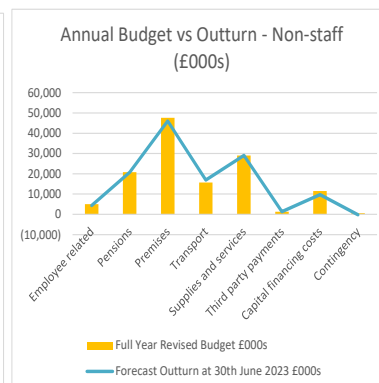
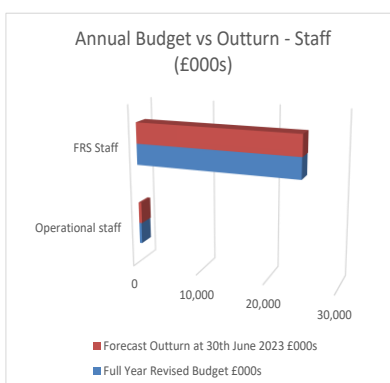
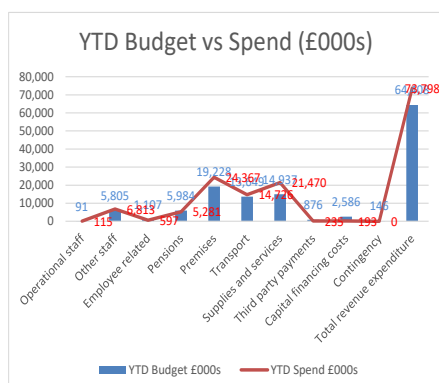
The **Directorate of Prevention, Protection and Policy** is responsible for how the Brigade relates to other businesses and agencies (business-to-business) and is responsible for driving and delivering transformational change, improving culture, and delivering against the Brigade's corporate objectives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

<b>Comments</b> <b>(Full Year Latest Forecast vs Budget)</b>
<p><b>Operational Staff – net underspend of £962k</b> This underspend relates to Prevention &amp; Protection (Fire Safety Delivery) largely as a result of vacancies within the service.</p> <p><b>Other Staff – net underspend of £445k</b> This underspend reflects vacancies across FRS staff in Q1, and further expected savings beyond Q1.</p> <p>The underspends reported across both staffing groups reflect vacancies against the approved establishment. A report for decision is progressing through the governance process requesting that the salary underspends are used to fund market rate supplement (skills payment) for FRS qualified staff, as one of several measures seeking to improve staff retention. Options to employ retired staff without pensions being abated are also being explored. £425k has been included in the current year forecast for FRS staff costs in relation to this. This is proposed as an interim arrangement whilst a permanent solution to the challenges is developed, possibly including the FRS pay review.</p> <p><b>Supplies and Services – net overspend of £95k</b> This overspend relates to various budget areas within Operational Policy, with further review underway for Q2.</p> <p><b>Income – net under recovery of £57k</b> This under recovery of income largely relates to environmental searches within Advisory Services of £37k, with the developing reduced trend being monitored, and £20k from a drop in sponsorship income.</p>

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

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

LFC Revenue (£'000s)	YTD Budget	YTD Spend	YTD Variance (Budget vs Spend)	Full Year Revised Budget	Forecast Outturn at 30th June 2023	Variance Forecast Outturn vs Revised Budget at 30th June 2023
Operational Staff	199	257	58	797	882	85
Other Staff	5,964	7,015	1,051	25,252	25,314	61
Employee Related	1,113	700	(413)	5,031	4,366	(665)
Pensions	5,984	5,281	(702)	20,773	20,773	0
Premises	19,228	24,367	5,139	47,659	46,063	(1,596)
Transport	13,651	14,728	1,077	15,676	16,927	1,250
Supplies and Services	14,944	21,506	6,562	29,056	29,081	25
Third Party	876	235	(640)	1,269	1,306	37
Capital Financing	2,586	193	(2,393)	11,524	9,724	(1,800)
Contingency	146	0	(146)	515	(272)	(787)
Income	(4,378)	(29,508)	(25,131)	(48,829)	(51,207)	(2,378)
<b>Net Revenue Expenditure</b>	<b>60,313</b>	<b>44,775</b>	<b>(15,538)</b>	<b>108,723</b>	<b>102,957</b>	<b>(5,765)</b>
Use of Reserves	(1,175)	0	1,175	(8,300)	(8,300)	0
<b>Financing Requirement</b>	<b>59,138</b>	<b>44,775</b>	<b>(14,363)</b>	<b>100,423</b>	<b>94,657</b>	<b>(5,765)</b>
Financed by:						
Specific Grants	(8,068)	2,600	10,668	(32,270)	(31,870)	400
GLA funding	0	0	0	0	0	0
<b>Net Financial Position</b>	<b>51,071</b>	<b>47,376</b>	<b>(3,695)</b>	<b>68,152</b>	<b>62,787</b>	<b>(5,365)</b>



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

### Comments (Full Year Latest Forecast vs Budget)

#### **Employee Related – net underspend of £665k**

This underspend relates to compensation claims within General Counsel and is based on known cases at this point of the year. Activity and spend in this area is however difficult to predict and therefore the impact of any further claims will be kept under close review.

#### **Premises – net underspend of £1,596k**

This underspend largely reflects a planned revenue contribution to capital of £2,000k no longer required, due to reprofiling of capital spend. See Capital Programme section for more detail.

This underspend is being partially offset by inflationary pressure on (Private Finance Initiative) PFI Contract of £224k, and property rates of £148k.

#### **Transport – net overspend of £1,250k**

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

An overspend of £645k on contract spend largely reflects differences in inflation indexation, with actual inflation of just over 8% compared to 5% assumed at the time of budget setting. The budget planning assumption for future years will be further reviewed to reflect experience.

An overspend of £600k on vehicle passthroughs (these are unplanned costs outside of contract) reflects a developing increase in this area. This is broken down by:

- £400k on accident repairs – these will be reviewed quarterly based on driver behaviour changes, with data shared with Fire Stations.
- £200k on NFWT (non-fair wear and tear) on vehicles – work continues with the contractor, Babcock, on engineering solutions to reduce damage as well as highlighting regular incidents to Fire Stations. This will also be reviewed quarterly to identify opportunities to influence future spend.

#### **Capital Financing – net underspend of £1,800k**

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

#### **Contingency – net underspend of £787k**

This underspend relates to release of central contingency forecast within Finance to offset increased spends in other areas. The budget from contingency has not yet been re-allocated to areas of identified overspend as at Q1 reporting, pending a final review. Following the appropriate governance and approval process relevant adjustments will be made for future reporting.

#### **Income – net over recovery of £2,378k**

This over recovery is largely as a result of higher than anticipated interest rates on investment resulting in additional £1,900k income forecast. This will continue to be monitored in-line with Bank of England announcements.

There is also additional income of £470k forecast under the Metropolitan Fire Brigades Act.

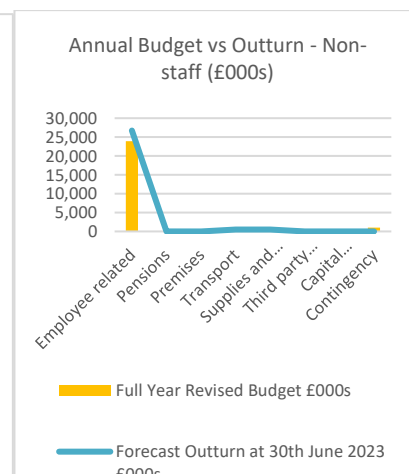
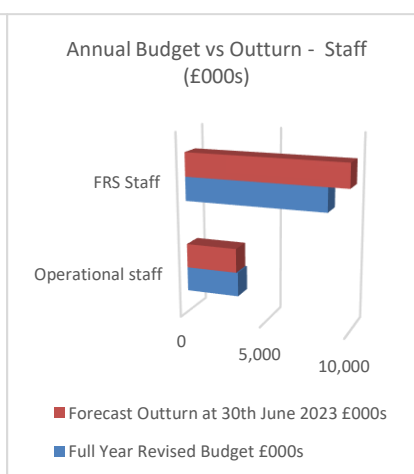
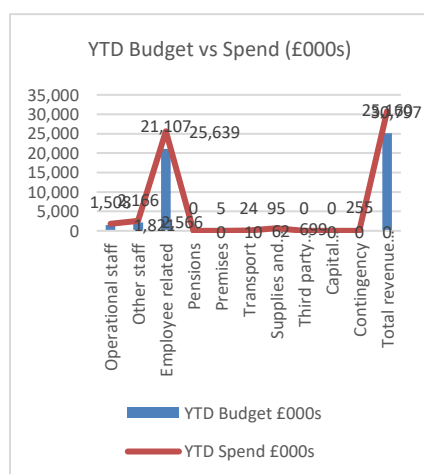
#### **Specific Grants – net under recovery of £400k**

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

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

The **Directorate for People** oversees every aspect of the people who work with the Brigade; the development and wellbeing of everyone in the workplace. The Directorate incorporates the following departments: People Services, Training & Professional Development, and Health & Safety.

LFC Revenue (£'000s)	YTD Budget	YTD Spend	YTD Variance (Budget vs Spend)	Full Year Revised Budget	Forecast Outturn at 30th June 2023	Variance Forecast Outturn vs Revised Budget at 30th June 2023
Operational Staff	1,508	1,821	314	6,031	6,316	284
Other Staff	2,232	2,632	400	8,876	10,122	1,245
Employee Related	21,107	25,626	4,519	23,928	26,726	2,797
Pensions	0	0	0	0	0	0
Premises	5	10	5	22	27	5
Transport	24	62	38	95	459	363
Supplies and Services	95	698	604	379	498	119
Third Party	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
Contingency	255	0	(255)	1,011	0	(1,011)
Income	(182)	(66)	116	(729)	(128)	600
<b>Net Revenue Expenditure</b>	<b>25,044</b>	<b>30,784</b>	<b>5,740</b>	<b>39,614</b>	<b>44,019</b>	<b>4,404</b>
Use of Reserves	(17)	0	17	(17)	(30)	(13)
<b>Financing Requirement</b>	<b>25,027</b>	<b>30,784</b>	<b>5,757</b>	<b>39,598</b>	<b>43,988</b>	<b>4,391</b>
Financed by:						
Specific Grants	0	0	0	0	0	0
GLA funding	0	0	0	0	0	0
<b>Net Financial Position</b>	<b>25,027</b>	<b>30,784</b>	<b>5,757</b>	<b>39,598</b>	<b>43,988</b>	<b>4,391</b>



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

### Comments (Full Year Latest Forecast vs Budget)

#### **Operational Staff - net overspend of £284k**

This overspend is being largely driven by costs associated with Trainee Fire Fighters (TFF), £390k. This is due to an increased number of TFFs being deferred due to performance/development and sickness related issues. This operational inefficiency, i.e. TFFs take longer to complete the programme than modelled and planned, is currently under discussion. The TFF team is looking into the complex drivers for the overspend, that will help understand whether and how the position can be improved upon.

#### **Other Staff – net overspend of £1,245k**

This overspend is largely due to increased FRS agency costs across People Services of £1m and £232k in L&PD. This relates to a number of vacancies being filled by interims (pending decisions about the future establishment structure) as well as temporary supernumerary roles required to deliver transformation.

#### **Employee Related – net overspend of £2,797k**

This overspend relates to professional development in L&PD, with the 2023/24 training contract plan exceeding the budget available. This will partially be funded by release of contingency budget, please see below. For the balance of £2.1m, (relating to £500k inflationary pressure and approximately £1.6m of embedded growth), a report for decision is currently progressing through governance to request approval for additional funding from the Budget Flexibility Reserve to cover the shortfall, should this not be able to be met by overall underspends in this financial year.

#### **Transport – net overspend of £363k**

This overspend is largely due to additional vehicle costs of £240k and vehicle and equipment contract £115k (unitary payment) for the supply of fire engines to support additional Incident Command Training at the Fire Service College. Much of this is offset by Contingency budget as mentioned below.

#### **Supplies & Services – net overspend of £119k**

This overspend is largely due to clothing and laundry orders placed for attendance at the Fire Service College and operational equipment £73k. The majority of this overspend will be offset against Contingency budget held.

#### **Contingency – net underspend of £1,011k**

This underspend is being maintained to allow the contingency to mitigate against other overspends anticipated. Namely against the training contract of £491k, vehicle purchases (transfer to fleet) of £240k, and £111k on unitary payments, all under Training & Professional Development. In addition, there is £44k under Health & Safety Department regarding training course and overtime spend. The budget from Contingency has not yet been re-allocated to areas of identified overspend as at Q1 Reporting pending a final review, and will be processed following appropriate governance.

#### **Income – net under recovery of £600k**

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

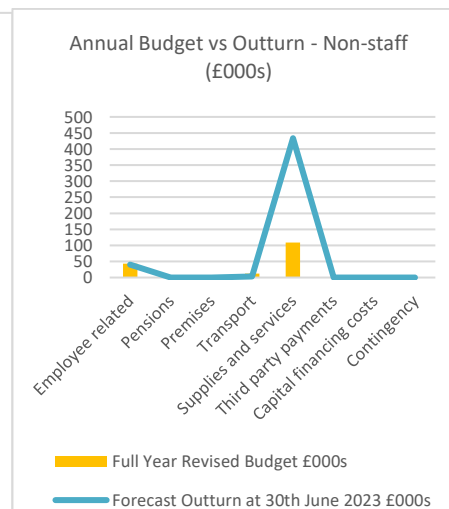
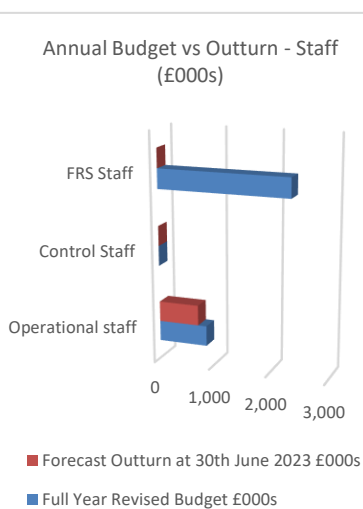
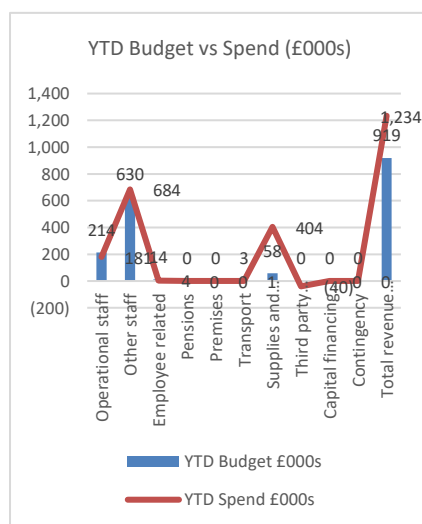
#### **Net Financial Position – net overspend of £4,391k**

Further work will be undertaken to identify potential mitigations to reduce this budget pressure.



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

LFC Revenue (£'000s)	YTD Budget	YTD Spend	YTD Variance (Budget vs Spend)	Full Year Revised Budget	Forecast Outturn at 30th June 2023	Variance Forecast Outturn vs Revised Budget at 30th June 2023
Operational Staff	214	181	(33)	856	704	(152)
Other Staff	689	743	54	2,566	2,698	132
Employee Related	14	4	(10)	44	40	(4)
Pensions	0	0	0	0	0	0
Premises	0	0	0	0	0	0
Transport	3	1	(2)	12	3	(8)
Supplies and Services	58	404	346	109	434	325
Third Party	0	(40)	(40)	0	0	0
Capital Financing	0	0	0	0	0	0
Contingency	0	0	0	0	0	0
Income	0	(1)	(1)	0	(2)	(2)
<b>Net Revenue Expenditure</b>	<b>978</b>	<b>1,292</b>	<b>314</b>	<b>3,587</b>	<b>3,877</b>	<b>291</b>
Use of Reserves	(66)	0	66	(66)	0	66
<b>Financing Requirement</b>	<b>911</b>	<b>1,292</b>	<b>381</b>	<b>3,520</b>	<b>3,877</b>	<b>357</b>
Financed by:						
Specific Grants	0	0	0	0	0	0
GLA funding	0	0	0	0	0	0
<b>Net Financial Position</b>	<b>911</b>	<b>1,292</b>	<b>381</b>	<b>3,520</b>	<b>3,877</b>	<b>357</b>



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

### Comments (Full Year Latest Forecast vs Budget)

#### **Net Financial Position – net overspend of £357k**

The Transformation Directorate is still developing, with recruitment and embedding of staff ongoing. Alignment of total net budget will therefore be reviewed as implementation progresses during the year.

The reported forecast overspend in Supplies & Services includes planned ICT contract spend that is being funded from budget held within Corporate Services. This will be reflected in figures reported for Q2, along with an update on the Community Risk Management Plan (CRMP) reserve.

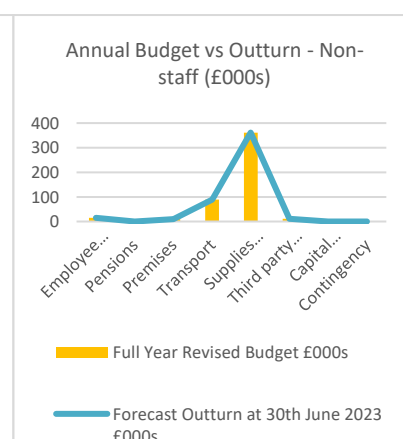
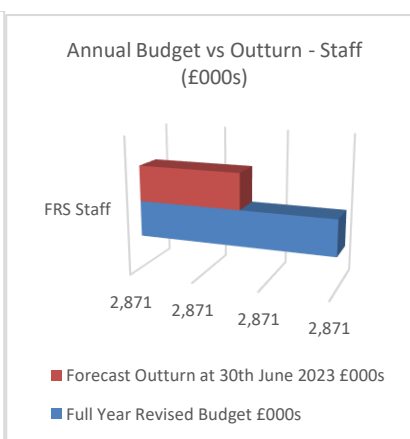
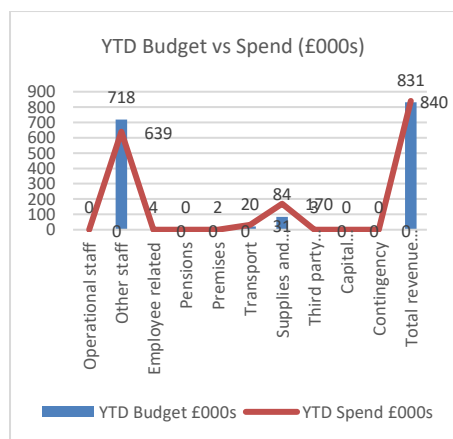
While the Q1 position reports a forecast overspend position, this is being kept under regular review as the Directorate embeds resources and organisational transformation plans progress.

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

The **Directorate of Communications** oversees Brand & Events; Media, Digital & Internal Communications; and Stakeholder & Community Engagement for the London Fire Commissioner.

No variances are currently anticipated at year end. The YTD overspend in Supplies and Services, relates to advertising, professional services, hardware and software and general office expenses, being largely timing differences of actual spend against the budget phasing assumption. These are expected to be contained within the overall annual budget.

LFC Revenue (£'000s)	YTD Budget	YTD Spend	YTD Variance (Budget vs Spend)	Full Year Revised Budget	Forecast Outturn at 30th June 2023	Variance Forecast Outturn vs Revised Budget at 30th June 2023
Operational Staff	0	0	0	0	0	0
Other Staff	718	639	(79)	2,871	2,871	(0)
Employee Related	4	0	(4)	15	15	0
Pensions	0	0	0	0	0	0
Premises	2	0	(2)	10	10	0
Transport	20	31	11	90	90	0
Supplies and Services	84	170	86	361	361	0
Third Party	3	0	(3)	11	11	0
Capital Financing	0	0	0	0	0	0
Contingency	0	0	0	0	0	0
Income	0	0	0	(17)	(17)	0
<b>Net Revenue Expenditure</b>	<b>831</b>	<b>840</b>	<b>9</b>	<b>3,341</b>	<b>3,341</b>	<b>(0)</b>
Use of Reserves	0	0	0	0	0	0
<b>Financing Requirement</b>	<b>831</b>	<b>840</b>	<b>9</b>	<b>3,341</b>	<b>3,341</b>	<b>(0)</b>
Financed by:						
Specific Grants	0	0	0	0	0	0
GLA funding	0	0	0	0	0	0
<b>Net Financial Position</b>	<b>831</b>	<b>840</b>	<b>9</b>	<b>3,341</b>	<b>3,341</b>	<b>(0)</b>



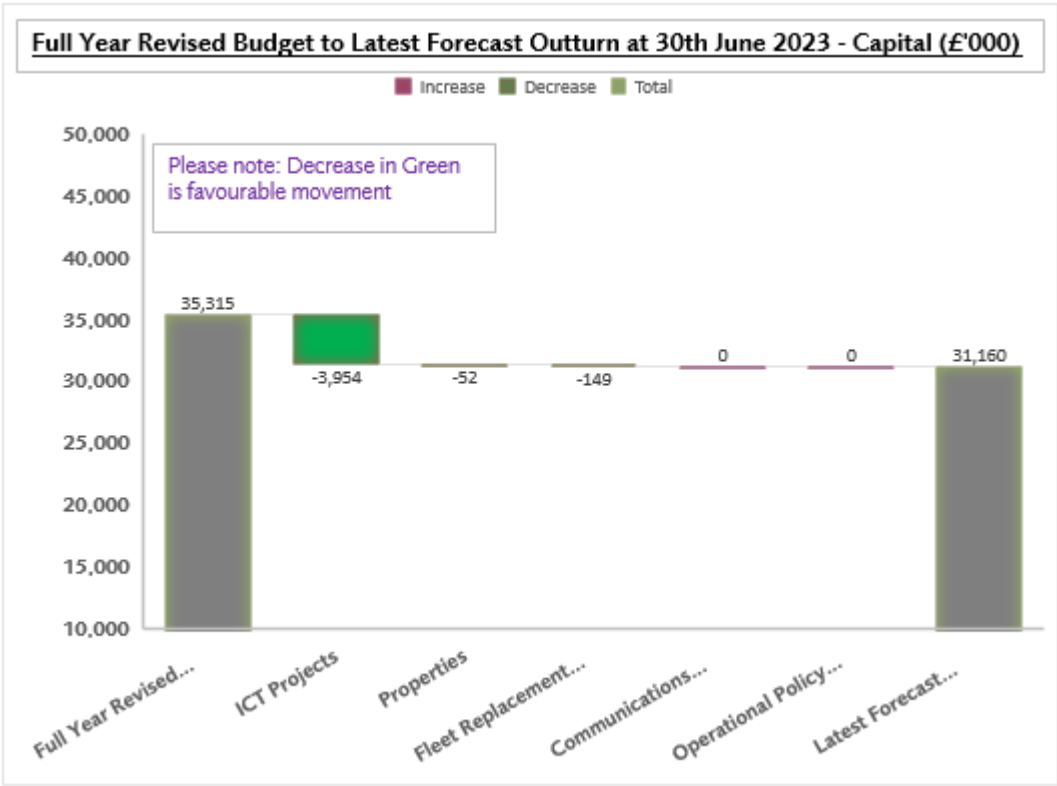
## Section B LFC Capital Summary Main Table

The Capital Budget for 2023/24 was set at £35,400k and was approved as part of the Final Budget 2023/24 (LFC-23-029). This budget was adjusted to £35,315k to reflect the capital outturn position, and any re-phasing of the capital programme. The forecast outturn on the capital programme at Q1 is £31,106k, an underspend of £4,155k.

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

London Fire Commissioner Capital Summary (£'000s)			
LFC Capital (£'000s)	Full Year Budget	Latest Forecast Outturn at 30th June 2023	Variance on Forecast Outturn vs Budget at 30th June 2023
ICT Projects	9,980	6,026	-3,954
Properties	16,416	16,364	-52
Fleet Replacement Plan	3,185	3,036	-149
Communications Project	0	0	0
Operational Policy Equipment	5,734	5,734	0
<b>Total Capital Expenditure</b>	<b>35,315</b>	<b>31,160</b>	<b>-4,155</b>
<b>Financed by:</b>			
Reserves	0	250	250
Capital Receipts	0	0	0
Capital Grants	0	0	0
External Borrowing	35,315	30,910	-4,405
<b>Total Financing</b>	<b>35,315</b>	<b>31,160</b>	<b>-4,155</b>

Section B LFC Capital Summary Walkthrough1 (Budget to Latest Forecast) (1/2)



## Section B LFC Capital Summary Walkthrough1 (Budget to Latest Forecast) (2/2)

Comments
Full Year Latest Forecast vs Budget

**Overall a net underspend of £4,155k is reported on the capital programme.**

### **ICT Projects - net underspend of £3,954k**

This underspend relates to a number of projects as outlined below.

Control & Mobilisation System (CAMS) project - £2,000k re-phased due to procurement delays. There have been delays in issuing the tender for this project with legal and procurement colleagues finalising the specification to ensure a robust procurement process. The expenditure on this project will be re-profiled to reflect this.

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

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

Operational Risk Database (One Risk) - £661k has been re-phased, following the Project Board decision to pause the project, to develop an alternative delivery approach and re-shape some of the requirements. This is to address the challenges experienced in the project to date as well recognising that several of the recommendations from the Grenfell Tower Inquiry associated with One Risk, particularly those relating to high-rise requirements, have now been delivered. Revised proposals are expected to be presented to the Project Board in Q3.

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

### **Property Project - net underspend of £52k**

This small net underspend is due to a combination of project re-forecasts. Following re-programming exercise, the Privacy for All project is forecasting a £210k overspend. Similarly, Plumstead Fire Station re-development project is forecasting an overspend in-year of £200k, due to construction work being ahead of programme. These variances are largely masked by Security Improvements at Stations project, where this has not advanced as programmed due to delays in awarding the contract to a successful tenderer.

### **Fleet Replacement Plan - net underspend of £149k**

Budget revised due to push backs in the delivery of various equipment expenditures no longer considered urgent and hence not ready to progress. Lightweight Portable Pumps, FRU Jacks, Major Lighting units, Folding Roof Ladders and five other smaller projects have been pushed back to 2024/25. The Lightweight portable Pumps project was pushed back due to the dependency on Operational Support Units (OSU) replacement projects.

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

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

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

The savings currently identified as at risk are considered further below.

Fire Safety £166k and £23k – these savings have been reviewed and are now expected to deliver a reduced saving, down by £47k to £142k in total.

Procurement & Commercial £150k - a review of the requirements on clothing and uniform for staff, including undress uniform, is being progressed as part of addressing the recommendations from the Culture Review, a now puts in doubt achieving this saving.

In addition to the savings identified above, further efficiency targets were included in the Final budget 2023/24 and currently reflected in the Contingency, as below. Further detail on these will be included in future financial reporting:

- £1.5m Operational Support Unit reform savings - for the review of the OSUs. This was outside the departmental savings process and came from the Efficiency Review. This is currently assessed as an amber risk (moderate risk), and work on the OSU strategy is being updated in light of the new Response Strategy.
- £300k from Investment and Finance Board targeted reviews, with a commitment to find savings in year.

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

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

Investments - Budget 23/24 (Detail)				
Ref	Area	Investment Title	Investment Budget 2023/24	Status Update - will investment continue as planned in 23/24 Budget
LFC – 0738 (section 5.1)C	Commissioners Secretariat	Reintroduction of a second Operational Director post	240	Yes
LPB	Commissioners Secretariat	Local Pensions Board	15	Yes
	Commissioners Secretariat	EA	50	Yes
	Commissioners Secretariat	Total	305	
Current	Finance	Training	15	Yes
Current	General Counsel	Supplies	25	Yes
Current	General Counsel	Supplies	6	Yes
ICT001C	ICT	Supplies	40	Yes
Previous	ICT	Supplies -Data Platform	281	Yes
Previous	ICT	Supplies - Protection against a denial of service attack (DDoS) - Azure Services	30	Yes
Previous	ICT	Supplies - BI competency unit	157	Yes
Previous	ICT	Supplies - Improving the use of location related data	143	Yes
Proc3C	Technical & Commercial	Supplies - The provision of PPE at training locations	247	Yes
Current	Property	Enhanced cleaning proposals	329	Yes
Current	Property	Enhanced cleaning proposals - PFI stations	53	Yes
	Corporate Services	Total	1,326	
Current	Comms	Head of Community Engagement - FRS F to FRS G	20	Yes
Current	Comms	Senior Community Engagement Officer - FRS E	57	Yes
Current	Comms	Community Engagement Officer - FRS C	44	Yes
Current	Comms	Admin Assistant Community Engagement	44	Yes
Current	Comms	Senior Information Officer - FRS E (temporary to permanent)	57	Yes
Current	Comms	Public Affairs Manager - FRS F (temporary to permanent)	71	Yes
Current	Comms	Public Affairs Officer - FRS C to D (temporary to permanent)	8	Yes
Current	Comms	Digital Print Manager - FRS C to FRS D	8	Yes
Current	Comms	Digital Print Operator - FRS B to FRS C	7	Yes
Current	Comms	Assistant Director Internal Comms - TMG C	22	Yes
Current	Comms	Assistant Director Content & Channels - TMG C	22	Yes
Current	Comms	Communications Planning Manager - FRS F	71	Yes
Current	Comms	Training	15	Yes
Current	Comms	Activity Based	100	Yes
	Communications	Total	546	
LaPD-PDR	Learning and Professional Development	Removal of PDR	468	Yes
Current	People	Occupational Health	412	Yes
Current	People	Staffing - Removal of temporary staffing to help implement new HR system	-38	Yes
	People	Total	842	
Previous	Fire Safety	Permanently establish Building Design & Consultation Hub	126	Yes
Previous	Fire Safety	Permanently establish Centre of Learning & Excellence	56	Yes
	Prevention & Protection	Advisory Services - Income	54	Yes
	Prevention & Protection	Cadet Services – Income reduction	150	Yes
Current	Operational Resilience	Ballistic protection	146	Yes
	Operational Policy	National Operational Guidance	297	Yes
Current	Operational Resilience	Shift System	350	Yes
Current	Operational Resilience	Operational Contingency Arrangements Contract	379	Yes
	Operational Delivery	Total	1,558	
	<b>LFB</b>	<b>Total</b>	<b>4,577</b>	



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

The balance on Reserves at March 2024, is forecast at £73,279k, a movement of £30,505k against the opening balance at March 2023 of £103,785k.

The forecast movement on reserves shows a variance from the position included in the Final Budget 2023/24 (LFC-23-029) and this is outlined below:

- Budget Flexibility Reserve (BFR) a forecast draw of £11,401k against a planned draw of £6,300k
- Earmarked Reserves a forecast draw of £19,755k against a planned draw of £17,755k
- General Reserve a forecast contribution of £651k is in line with planned policy

The reserves position corporately remains under review and will be updated in future financial reporting. As the audit of the Accounts 2021/22 was only recently completed, further adjustments are required to the 2023/24 opening balances to reflect the final outcome from the audit. Further work is therefore required to update the opening balances and consider the impact on the reserve use forecast. Also new service demands are being identified in-year that may require reserves funding, and in particular impact on the BFR. This further review of reserves will then be reflected in the Q2 financial position report.

### **General Reserve**

The balance on the General Reserve at March 2024 is forecast at £17,038k, which is 3.5 per cent of the Net Revenue Expenditure (NRE) budget of £486,804k. The planned movement of £651k is transfer from the BFR to meet the minimum balance requirement, largely to address the impact of the increase in NRE.

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

The balance on the BFR at March 2024 is forecast at £9,024k, a net movement of £11,401k against the opening balance of £20,425k. This movement of £11,401 is an increase of £5,101k from the planned movements of £6,300k, and the key reasons for the additional movement are outlined below.

<b>Use of BFR</b>	<b>Amount £'000s</b>
Forecast Overspend (at Q1)	2,072
National Operational Guidance Implementation (LFC-23-051)	358
Training Plan additional spend (LFC-23-073)	2,083
People Services external complaints service (CMP) (LFC-23-044)	750

### **Earmarked Reserves**

The balance on earmarked reserves at March 2024 is forecast at £47,217k, a net movement of £19,755k against the opening balance of £66,973k. The table below summaries movements on all reserves.

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

£'000		YTD - Q1		Current Full Year Forecast for 2023/24 (M01 - M12)		Full Year Budget Plan 2023/24 (M01 - M12)		Variance
Reserve Description	Balance at 01/04/23	Reserve Movements	Balance at 30/06/24	Full Year Forecasted use of Reserves	Forecasted Balance at 31/03/2024	Full Year Budget Plan use of Reserves	Forecasted Balance at 31/03/2024	Full Year (Budgeted Plan vs Current Forecast)
Capital Expenditure Reserve	7,045		7,045	-7,045	0	-7,045	0	
Central Programme Office	328		328	-328	0		328	-328
Compensation	925		925		925		925	
Covid-19	-2	2	0	2	0		-2	2
Emergency Medical Response	294	-294	0	-294	0		294	-294
Emergency Services Mobile Communication Programme	888	44	932	44	932		888	44
Fire Safety and Youth Engagement	8,189		8,189	-2,000	6,189	-2,100	6,089	100
Grenfell Infrastructure Reserve	503	-84	419	-503	0	-600	-97	97
Hydrants	119		119	-119	0	-119	0	0
ICT Development Reserve	2,663		2,663	-967	1,696	-200	2,463	-767
In Year Savings Reserve	3,600	-3,600	0	-3,600	0	-2,000	1,600	-1,600
LFB Museum Project	179		179	-120	59	-120	59	
LFC Control Centre	729	-729	0	-729	0		729	-729
London Resilience	771	32	803	-739	32	-771	0	32
Community Risk Management Plan	2,573	2,960	5,533	737	3,310	-2,700	-127	3,437
Organisational Reviews	150	-150	0	-150	0		150	-150
Pension Earmarked Reserve	1,564		1,564	-1,000	564		1,564	-1,000
Recruitment/ Outreach		1,342	1,342	1,342	1,342		0	1,342
Sustainability	170		170		170		170	
Transformation Delivery Plan	3,015	-2,960	55	-3,015	0		3,015	-3,015
Vehicle & Equipment Reserve	2,159	140	2,299	-1,156	1,003	-1,300	859	144
Leadership reserve	350		350	-150	200		350	-150
Marauding Terrorist Attack (MTA) project	997		997	-119	878	-600	397	481
Legal reserve		107	107	107	107	-200	-200	307
Communications	83	114	197	31	114		83	31
Fire Safety Improvement Reserve	29,680		29,680		29,680		29,680	
Finance Reserve		15	15	15	15		0	15
Earmarked reserves total	66,973	-3,060	63,913	-19,755	47,217	-17,755	49,218	-2,000
Budget Flexibility	20,425	-5,324	15,101	-11,401	9,024	-6,300	14,125	-5,101
General Reserve	16,387		16,387	651	17,038		16,387	651
	103,785	-8,384	95,401	-30,505	73,279	-24,055	79,730	-6,450

## Summary – Revenue Budget Movements (Original vs Revised) Update (1/1)

The original budget figures set out in the table below reflect the approved breakdown of the Final 2023/24 Budget (LFC-23-029). The revised budget takes account of movements since that time that have been approved through delegated authority governance.

LFC Revenue (£'000s)	Original Budget 2023/24	Revised Budget 2023/24	Variance
Operational Staff	307,600	306,917	-683
Other Staff	67,600	69,194	1,594
Employee Related	28,900	29,028	128
Firefighter Pension Scheme	22,000	20,773	-1,227
Premises	50,300	47,831	-2,469
Transport	17,900	18,470	570
Supplies & Services	32,700	33,460	760
Third Party Payments	1,400	1,333	-67
Capital Financing Costs	7,700	11,524	3,824
Contingency	0	26	26
<b>Total Expenditure</b>	<b>536,100</b>	<b>538,556</b>	<b>2,456</b>
Total Income	-48,100	-51,745	-3,645
<b>Net Expenditure</b>	<b>488,000</b>	<b>486,811</b>	<b>-1,189</b>
Transfer to/(from) Reserves	-8,300	-8,384	-84
<b>Financing Requirement</b>	<b>479,700</b>	<b>478,428</b>	<b>-1,272</b>
Specific Grants	-33,900	-32,628	1,272
GLA Grant	-445,800	-445,800	0

The total Net Expenditure Budget at Q1 is £486,811k, a movement of £1,272k against the original approved budget. Specific Grant changes reflect the updated position on Central Programme Office funding, with this offset by updated planning assumptions on revenue contribution to capital and inflation. For transparency, and to assist with future reporting, the contingency budget has now been reflected separately.

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

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

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

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

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

The total outstanding debt as at 30 June 2023 is £2,722k, with £957k (35% of the total outstanding) over 30 days old.

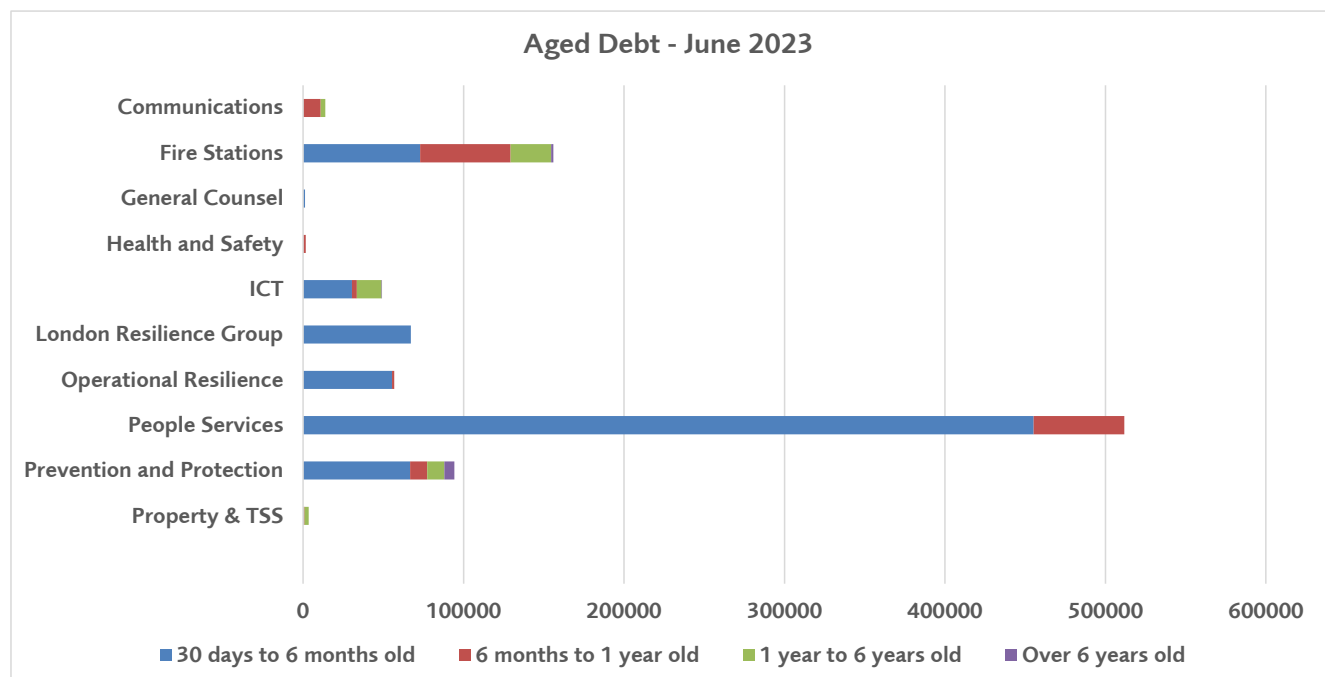
The table below shows the breakdown of this debt by age.

Amount Outstanding (£)	Other	Lifts	Grand Total
under 30 days	1,719,400	45,864	1,765,264
30 days to 6 months old	675,400	74,256	749,656
6 months to 1 year old	85,001	56,347	141,348
1 year to 6 years old	33,107	25,049	58,156
Over 6 years old	7,963		7,963
<b>Grand Total</b>	<b>2,520,871</b>	<b>201,516</b>	<b>2,722,387</b>

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

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

Amount Outstanding (£)	30 days to 6 months old	6 months to 1 year old	1 year to 6 years old	Over 6 years old	Grand Total
Property & TSS	221	660	2,640		3,521
Prevention and Protection	66,656	10,705	10,660	6,298	94,319
People Services	455,269	56,575			511,844
Operational Resilience	55,440	1,379			56,819
London Resilience Group	67,103				67,103
ICT	30,468	2,970	15,400	300	49,138
Health and Safety		1,712			1,712
General Counsel	1,250				1,250
Fire Stations	72,946	56,347	25,238	1,365	155,896
Communications		11,000	2,882		13,882
<b>Grand Total</b>	<b>749,353</b>	<b>141,348</b>	<b>56,820</b>	<b>7,963</b>	<b>955,484</b>



## Summary – Risks to the Financial Position Update

The table below presents a summary of the key risks to the LFC's financial position.

Likelihood	5					*Operational Budget Volatility
	4			*Replacement Vehicles & Equipment	*Inflation	*Pensions Remedy
	3		*Capital Rephasing, *ESN, *Command Support System, *Systems Development, *Water Hydrants, *HGV Driver Shortage	*Failure to deliver planned savings and efficiencies, *Telecommunications Income, *Cost of Borrowing	*Property Disposal *New Unfunded Pressures	
	2		*TDP*Legal Cost, Contractor Default, *Third Party Collaboration, *Debt Charges		*MFB Act Income *Fire Station Refurbishment	
	1					
		1	2	3	4	5
		Impact				

The highest rated risks currently are:

- Operational Budget Volatility – the LFC experienced significant additional costs in 2022/23 on operational overtime. Additional measures have been put in place to address this, and significant cost reductions seen in the current year. However, the risk of additional costs remains high, particularly as we approach the summer and the additional risks presented, in particular from heatwaves with London's experience last year, and those currently being experienced in mainland Europe.
- Pensions Remedy – the pension remedy that impacts public sector pensions is due to be implemented from October 2023. This presents risks to the LFC in managing the direct costs, but the greater risk relates to the potential number of leavers/retirements as the remedy is implemented and the action necessary to address this.
- Inflation – there continues to be significant uncertainty on inflationary pressure, and whilst there has been positive movement on the overall level of inflation this continues to be volatile, and with significant differences in the inflation experienced in different sectors/markets.

## Summary – Climate Budget Update (1/2)

The table below provides details of the funded initiatives to reduce the LFC's carbon impact. The table reflects any additional movements from Table B (Unfunded) to Table A, since the initial Table A.

Table A – Climate Measures (Funded)

ID - 1	ID - 2	Climate Action Area	Climate Action	Description	Funding source	Year funding starts	Year funding ends	Lifetime cumulative CO2e savings, tonnes	Year emissions savings start	Average annual CO2e savings to 2030, tonnes	Co-benefits
<b>London Fire Commissioner</b>											
LFC	LFC-A.1	Buildings	Building retrofit Cookers	Replace 40 gas powered cookers with Electric	LFC7060	2022-2023	2023-2024	1,284	2023-2024	107	
LFC	LFC-A.2	Buildings	Building retrofit - ASHP	Replace 3 gas boiler with ASHP	LFC0256	2023-2024	2027-2028	360	2024-2025	30	
LFC	LFC-A.3	Buildings	Building retrofit -SPV	Instal 4 Solar PV arrays	LFC 0256	2023-2024	2023-2024	132	2023-2024	11	
LFC	LFC-A.4	Buildings	Building retrofit windows	Window replacement	LFC0354	2023-2024	2023-2024	1,500	2023-2024	360	
LFC	LFC-A.5	Buildings	Buildings retrofit	Appliance bay doors	LFC0533Y + LFC0354Y	2023-2024	2024-2025	122	2023-2024	15	
LFC	LFC-A.6	Buildings	Buildings retrofit	Appliance bay doors	LFC 0354	2024-2025	2025-2026	146	2024-2025	18	
LFC	LFC-A.7	Buildings	Building retrofit windows	Window replacement	FWR	2024-2025	2025-2026	325	2025-2026	27	
LFC	LFC-A.8	Buildings	Building retrofit roofing	Roof replacement	AWP	2023-2024	2024-2025	1,170	2024-2025	390	
LFC	LFC-A.9	Transport	Current Asset Replacement Programme	Replacement of hybrid pool cars to 50 electric vehicles	Mayor	2022-2023	2023-2024	1,185	2023-2024	237	
LFC	LFC-A.10	Transport	Current Asset Replacement Programme	Replacement of 2 driver training cars	Mayor	2023-2024	2024-2025	45	2023-2024	9	
LFC	LFC-B.7	Buildings	Salix funding match 5 buildings	Retrofit of 5 stations	Salix combined with LFC	2024-2025	2024-2025	1,775	2025	71	Reduction
LFC	LFC-A.13	Buildings	Building Salix funding	HDP	Salix	2023-2024	2023 - 2023	??	2024	71	
LFC	LFC-A.11	Behaviour Change	Carbon impact training	Carbon impact training for all LFB staff- following on from the LFB senior leader carbon literacy training	Internal staff resources	N/A	N/A	N/A	2023-2024		Enabler Facilitate emissions reductions in other areas

## Climate Measures - Funded update (2/2)

Table A – Climate Measures (Funded) - (Continued)

ID - 1	ID - 2	Milestones for 2023-2024	Quarterly RAG rating	Further information	Date measure started/ expected to start	Date measure completed/ expected to complete	Spend to date (2023-24)	Forecast spend remaining (2023-24)	Total Exp. 23-24 £'000	Total Exp. 24-25 £'000	Total Exp. 25-26 £'000	Capital/ Revenue /Mixed	Total cash savings 23-24 £'000	Total cash savings 24-25 £'000	Total cash savings 25-26 £'000	Comments
<b>London Fire Commissioner</b>																
LFC	LFC-A.1	project on going	Amber	project progressing	Started	2024	£70,000	£210,000	160	N/A	N/A	Capital	N/A	N/A	N/A	presently out to tender
LFC	LFC-A.2	progressing but superseded by Salix	Red	planning issues are holding project up	Started	2023	£186,000		1,000	N/A	N/A	Capital	N/A	N/A	N/A	Carbon reduction. This project has been superseded by Salix project to decarbonise 5 fire stations
LFC	LFC-A.3	on hold budget	Amber	Funding is being re-purposed	Started	2024	£0	£0	300	N/A	N/A	Capital	N/A	N/A	N/A	Green finance being investigated with GLA
LFC	LFC-A.4	Project on going	Green	project progressing	Started	2023	£300,000	£30,000	4,415	N/A		Capital	TBC	247	247	
LFC	LFC-A.5	Project due to begin Q2	Green	New doors up and over being trialled	Started	2023	£12,000	£340,000	1,200			Capital	TBC	TBC	TBC	project has begun
LFC	LFC-A.6	Project due to begin Q3	Green		Started	2023	£395,000	£525,000		2,600	N/A	Capital	TBC	TBC	TBC	Out to tender
LFC	LFC-A.7	on going super seeded by Salix project	Green	planning approved	Started	2023	£137,255	£207,000	1,177	N/A		Capital	TBC	TBC	TBC	Tender being evaluated
LFC	LFC-A.8	project on going with capital project team	Amber	temporary roof installed	Started	2023	£0	£15,000	916	916	N/A	Capital	TBC	TBC	TBC	awaiting tender report
LFC	LFC-A.9	Complete delivery of VW ID3's to LFB en users.	Green	All 50 of the Officer Pool Cars have been paid for and the project is ending.	n/a		£1,582,140	£0	1,500	N/A	N/A	Capital	N/A	N/A	N/A	Carbon reduction
LFC	LFC-A.10	To procure 2 replacement ERD Training cars, and 6 additional ERD Training ars. Delivery may be at the EOY or early in 2024/25	Red	The project has been delayed due to lack of clarity on the specification. This has been resolved and the project is beginning to progress. Another delay has come from a lack of funding for the additional 6 ERD Training Cars.	n/a		£0	£70,000	70	N/A	N/A	Capital	N/A	N/A	N/A	The project has been delayed due to lack of clarity on the specification. This has been resolved and the project is beginning to progress. Another delay has come from a lack of funding for the additional 6 ERD Training Cars.
LFC	LFC-B.7	Property	Green	Project is in final design and progressing	Started	2024	£668,356	£3,200,545		4,337	N/A	Capital	N/A	N/A		Salix project continues now in final design and DNO upgrades agreed and orders placed
LFC	LFC-A13	PSDS HDP being funded by Sustainable development	Amber	PSDS HDP for Septembr Salix PSDS phase 3D preparations	Started	2023	£21,500	£0			N/A	Capital	N/A	N/A		Salix work for PSDS 3D phase preparation of HDP for 11 stations
LFC	LFC-A.11	Carbon reduction	Amber		Started				N/A	N/A	N/A	Capital	N/A	N/A	N/A	Carbon impact training is an enabling measure and will facilitate emissions reductions in other areas Presently on hold resource issues



### **Finance comments**

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

### **Workforce comments**

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

### **Legal comments**

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

### **Sustainability implications**

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

### **Equalities implications**

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

- c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
14. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
  15. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—
    - (a) tackle prejudice, and
    - (b) promote understanding.
  16. Consultation with the Inclusion Team has taken place with regard to this financial position. The outcomes have been considered when coming to the conclusions in this report. There are no direct equality impacts arising from this statement of financial position, however an equality impact assessment was undertaken on the 2022/23 budget proposals.

Part two confidentiality

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

Is there a Part Two form:      NO

ORIGINATING OFFICER DECLARATION:

Drafting  
officer to  
confirm the  
following (✓)

Drafting officer

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

Assistant Director/Head of Service

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

Advice

The Finance and Legal teams have commented on this proposal;

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

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